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The Nation's Business

Churchill Duties Step Toward Empire Preference

Smuggling Stopped, But Undervaluation Goes On

Further Reforms Needed in Customs Department

Hocken's Fine Speech

IMMEDIATE benefit to Canada of the new Churchill duties is a subject upon which diverse opinions are held. But there is bound to be some gain to our export trade as a result of these new duties, particularly in the fields of tires, wines and tobacco.

Of largest significance in the Churchill duties is the recognition of the fact that Great Britain requires further steps in the direction of protection than it has taken in the past, and of the fact that this move away from free trade must be accompanied by substantial Empire preference. Churchill has always been regarded as a free trader, but even Churchill has been forced to reorganize Britain's and the Empire's needs.

The Churchill duties are another step forward toward complete Imperial preference.

* * *

SMUGGLING into Canada has been reduced and almost entirely checked. This much has resulted from the investigation into the administration of the customs and excise department of Canada. Already the customs revenue has been increased by millions of dollars through the more effective administration that has followed the unsavory revelations before the parliamentary committee and the royal commission, revelations that resulted in drastic improvements in the customs collection and preventive services, first for a very short period under Hon. H. H. Stevens, and more recently under the able, fearless and vigorous leadership of Hon. W. D. Euler. Customs revenues have increased by $15,000,000 annually. Business men who have studied the situation say that at least $10,000,000 of this represents income gained through collecting customs revenues on goods that were formerly being smuggled into the country.

* * *

BUSINESS men, as well as governmental and police officials, have evidence that smuggling has been almost entirely checked. Almost every wholesale and manufacturing house in Canada, certainly every one in the silk, radio, clothing or cosmetic fields, can turn in his books to orders that have been received from firms that had not placed an order with them for five years. Unable to get goods by the underground route, retail outlets by the score have had to buy from legitimate firms. The effect on business of the decline in smuggling has been favorable and to an enormous degree.

Smuggling has been checked and can be kept at the minimum if the government continues its work of house-cleaning and carries out to the limit the recommendations that have been made to it by the parliamentary committee, by the Commercial Protective Association and that will assuredly be made by the present Royal Commission.

* * *

BUT while smuggling has been checked, gross evils still persist; evils that in their scope are almost equally deleterious in their effect on business and on the government revenues.

In a masterly presentation of evidence before the Royal Commission in Toronto this week, R. P. Sparks, the Hull manufacturer, who, as head of the Commercial Protective Association, was almost entirely responsible for the investigation into smuggling and the house cleaning that is now under way, brought up some of these further evils. He went quite fully into the question of undervaluation of goods and indicated that the department of customs is at present wholly unequipped to make just appraisals of merchandise imported into Canada and is therefore, not in a position to prevent goods being passed through the customs at figures ridiculously below their real value.

* * *

CANADA operates on a system of ad valorem duties. Ad valorem means "at value." Customs duties are based upon the value of merchandise imported. Obviously the amount of customs duties to be paid on any shipment cannot be fairly estimated unless there are standards of value upon which to calculate them. Dependence upon invoices has been shown, in dozens of flagrant examples brought before the Royal Commission, to be entirely unsound and unsafe. Invoices can, by collusion or otherwise, be made to show any figure. Because the customs department is unequipped to value goods or to check up on the values shown on invoices or declared by importers, goods are coming in at many different prices.

To remedy the situation Mr. Sparks, who through the authority of his association and by the work he has done, can be regarded as the mouthpiece of Canadian business in this matter, proposes the abolition of the present

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International Utilities' Plan to Buy Lethbridge Railway Turned Down

Company Sought to Purchase Publicly Owned System

BUT DOOR STILL OPEN

New York-Calgary Group Controlling Calgary and Edmonton Gas Service Ready to Buy All Assets

From Our Own Correspondent.

LETHBRIDGE.—While Lethbridge city council decided not to accept any offers made in connection with its public utilities the door is still open for further negotiations.

The city of Lethbridge was the battle ground of two big companies that are seeking outlets for their power production. An alluring offer of $1,000,000 was made to the Southern Alberta city by C. J. Yorath, Canadian representative, in behalf of the International Utilities Corp. of New York, for its electric light and power plants, distribution system, street railway system and equipment, and all capital assets in connection therewith.

Hydro Power Bidder

The other bidder is the Calgary Power Company, whose head office is situated in Montreal and whose president is I. W. Killam. G. A. Gaherty, general manager of this company, is at present in Alberta and is conducting negotiations with Lethbridge. He has offered to build a high tension line from the company's connections at Calgary and to transmit power from the Kananaskis plant and sell it to Lethbridge at 9 cents per kwh., if pumping is done on the peak or at 3.5 cents if off peak. This company includes in its proposal an offer to take over payments on three electric power debentures.

Lethbridge Sitting Pretty

Lethbridge received these offers at about the same time and after studying both proposals carefully, turned them down.

Now the Calgary Power Company and the city are considering a proposal for co-operative conduct whereby the city would buy or sell power to the company, or vice versa, as situation may warrant.

Whether the Gas Company will continue negotiations on its proposal to buy the power plant and street railway for a million dollars is now left up to the company.

M. E. Jackson, of Diamond Collieries, near here, has wired the city from Chicago, asking if the city would entertain offer for its utilities from large interests he represents and he has been told that city is open to consider any offer.

Lethbridge is a strategic point in which to stage the first contest for supremacy in the power field in Southern Alberta, for it is the focal centre of this large and important section of the province and it is assumed that the company that secures this initial business, will have the jump on its competitor in the struggle for further contracts from the population centres south of Calgary.

The rivalry is between gas and water power. The International Utilities Corporation already controls the Canadian Western Natural Gas, Light, Heat and Power Company, more fa-

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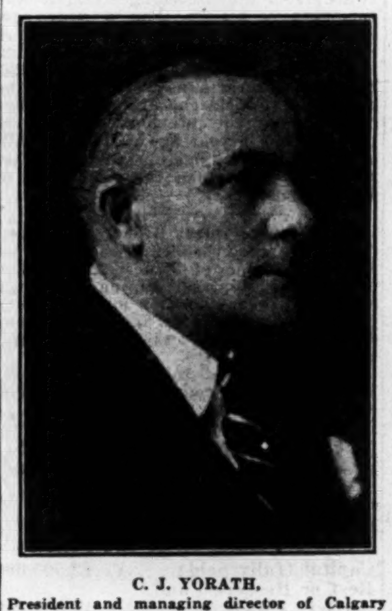

C. J. YORATH.

President and managing director of Calgary Natural Gas Company, which offers million dollars for Lethbridge's Utilities.

A. & P. Chain Stores to Enter Toronto Field

The Great Atlantic & Pacific Tea Co., which operates between 15,000 and 16,000 red-front stores in the United States, will open stores in Toronto, and possibly in Montreal, according to Canadian Grocer.

It is learned by The Financial Post that the A. & P. company has had a Dominion company charter for six years. Recently when a group of stores began to operate in Montreal under the name of the A. & P. officials of that company protested to the government on the ground of encroachment of the corporate name. The reply of the secretary of state was that if the A. & P. wished to protect its corporate rights in Canada, it would have to do business here.

Not Connected

In accordance with this pronunciamento, the A. & P. Co., it is understood, will begin business in Toronto at an early date. It is said that only a small chain will be operated, the A. & P. Co. having no particular wish at this time to invade the Canadian field.

There is no connection between the A. & P. Co. and Dominion Stores, although both are operated with similar policies. Some of the directors and operating officials of Dominion Stores got their early training from the A. & P. But no director or officer of one company is a director or officer of the other.

TORONTO RAILWAY CO. SHAREHOLDERS TO BE PAID $1.50

Cash Will Equal $115.50 on Par of $100; Remaining Asset $55,000

Shareholders of Toronto Railway Co., which has been in process of liquidation for several years, will be notified in the next few days of a disbursement of $1.50 per share on the capital stock of the company. This interim payment will bring the total to $115.50 so far paid on the stock of the old street railway company, which owned several subsidiaries.

Final winding up of the company is awaiting disposition of two suits at law, one by the company and one against it. The first is a claim for about $55,000 from the Niagara Parks Commission, representing a deposit and accrued interest. This deposit was made many years ago on behalf of the Electrical Development Co. as a guarantee against claims for physical damage to concessions, etc., in the park while certain work was in process. The time for the filing of claims against this fund expired more than ten years ago. The park commission has declined to pay over the amount until final settlement of claims made by the city of Niagara Falls. It is understood that the railway company is willing that the commission settle the claim out of court for what it considers a reasonable amount.

The suit against the company has been brought by an engineer formerly employed under the chief engineer of the railway company. The plaintiff in this action claims $25,000 on account of patents developed while he was connected with the railway. He also contends that he was not given proper notice of dismissal.

These two matters are the only ones which are delaying the final wind-up of the Toronto Railway Co.

PREFERRED OF CANNERS WILL GET 5 PER CENT.

Forecast of Increase in Rate Causes Both Stocks to Rise

FUTURE IS BRIGHT

Working Capital Reaches High Point, Enabling Company Easily to Finance Goods Sales

Holders of Canadian Canners preferred will receive 5 per cent. dividends for 1927. Only 4 per cent. has been paid for 1926. Probability of an early increase in the dividend rate accounts for the rise in the value of the preferred stock in the last few days, and the corresponding increase in the market value of the common. The preferred is a 7 per cent. cumulative and is 19 per cent. in arrears.

It is the opinion of persons who are in position to know this company and who have faith in its future that the present price of the common stock is discounting the future to a great extent. It is considered that the price is high in view of the fact that the arrears of dividends on the preferred will have to be dealt with in some way before there can be hope of any dividend on the common.

One of the strong points with regard to the market position of the common stock of this company is that there is comparatively little of it available for trading, and a favorable factor from an investment viewpoint is that the total outstanding is small in comparison with the preferred and in relation to the earnings position of this company.

While the financial position of Canadian Canners has been improving steadily in the last several months, it is considered improbable that the directors will consider any action to take care of the preferred arrears in the current fiscal year. Eventually it is believed that, if the preferred shareholders agree, they will be asked to accept in lieu of cash due on account of arrears, a certain amount of new common. Increasing the amount of the common stock will have to have the assent of the common holders, but it is believed that this will not be difficult to obtain if the company by that time has demonstrated its capacity to earn consistently and can, in normal times, pay a reasonable dividend on the common.

While the income account published with the annual report a few weeks

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Buyers Ready for Besco When Capitalization Cut Down to Earning Power

Believed Liquidators, if Named, Will Have to Make Price Attractive

COMPLEX PROBLEM

Statisticians and Others, Work Months But Appraisal of Assets Still in Air—Affidavits Conflict

Liquidators for British Empire Steel Corp. and Dominion Steel Corp. will have no difficulty finding buyers for the property when, and if, its valuation is scaled down to a point where the purchasers would have a reasonable chance to earn a profit on the purchase price.

New financing will be done without regard to the probable relief, in the form of customs duties or bounties, which may be afforded by the Dominion government.

There is no hope of making the Maritimes steel and coal industry profitable merely by shifting the load of bond issues and stocks. The industry, it is apparent, must be lightened of the load. To attempt a reorganization without a lightening of the load will mean merely that a similar, or worse, situation would be created within a few years. To bounty the industry under present conditions is merely to delay the debacle.

Worth Only Earning Power

In the last analysis, a business is worth what it will earn. An industry with a history such as the Nova Scotia coal and steel industry probably could not be considered worth more than ten times its potential annual net earning power.

These are opinions of some casual observers of the situation that have developed. The program of reorganization which these opinions suggest depend, of course, on the action of the court as to the petition of National Trust Co.

(Continued on page 16)

Shareholders Fight Trust Co. Plea

From Our Own Correspondent.

MONTREAL. — The special meeting of the first preferred shareholders of the British Empire Steel Corporation was quiet and exhibited a friendly attitude toward the management. After Roy M. Wolvin, the president of Besco, had explained the situation surrounding the application of the National Trust Company leading to the winding up of the corporation, the meeting in complete unanimity immediately passed two resolution. The first being one approving the action of the management in opposing the application of the National Trust Company and also authorizing the board to take such further action along these lines as to protect the corporation and its assets as the management may deem advisable.

The second resolution approved the appointment of a first preferred shareholders' committee of four with power to appoint a fifth member.

Say Packers Plan Merger as Means to Restore Trade

Several of Largest Concerns May Be in Plans of Backers

BRITISH MARKET GONE

Motherwell Calls Meeting in Effort to Determine Way To Help Hog, Bacon Industry in Canada

Merger of several of the larger packing companies in Canada probably will be announced within the next few weeks.

Details of the proposed merger are being kept a close secret, but from various known facts it is adduced that the plans as tentatively made include Gunns, Ltd., Harris Abattoir, Wm. Davies Co. and Canadian Packing Co., which is a subsidiary of Allied Packers, Inc., and formerly the Matthews-Blackwell Co.

While confirmation of this arrangement is lacking, there is reason to believe that a Toronto and a Montreal investment banking house have been working on the proposition for several months and that the time is approaching for an announcement of the details of the proposed amalgamation.

In several authoritative quarters it is admitted that the merger would be a logical solution of the financial and operating problems of the packing companies. These problems have arisen since the war and despite most drastic steps on the part of principals and comprehensive and disheartening sacrifices on the part of many shareholders, income accounts of most companies have not been satisfactory.

Reorganization of Gunns, Ltd., recently, followed immediately by redemption of the newly-issued preferred stock and delay in announcing refinancing of that company, which had become identified with Harris Abattoir, lends color to the report that a merger is contemplated. In addition, it is known that Allied Packers for some time have been open to negotiations which would dispose of their subsidiary, Canadian Packing Co.

Some significance also is attached to the fact that the annual report of William Davies Co. has been delayed. It is expected that this report will be published soon, now that the sale of the A. Martin retail stores to Arnold Bros. has been completed. In some quarters it is thought that definite information regarding the contemplated packing merger may be available when this annual report is published.

Trouble For All

Virtually all the packing companies have gone through a difficult period of readjustment since the war. While the hostilities continued, most of these companies did very well. In several instances there were capital expansions and expansions of plant and equipment. With the close of the war came the end of the government contracts and before there could be a reestablishment of markets, there came a general collapse of Continental Europe and drastic deflation which affected the hog grower no more seriously than the packer. The Canadian companies also were adversely affected by United States tariff regulations which fixed the duty on processed pork at more than double the rate on fresh pork and four times the rate on live hogs.

The various reorganizations, mergers and sales have not helped the situation materially, so far as the packers are concerned. But it is believed that a merger which would in-

(Continued on page 4)

Penmans Lives Up to Expectations

MONTREAL.—Penmans has lived up to expectations of a $4 annual dividend basis for the new stock. The directors have declared a quarterly dividend of $1 per share payable on May 15. The new rate compares with an annual dividend of $8 per share plus a bonus of $2 on the old common stock.

As the old shares were split three for one, the present disbusement is equivalent to $12 per share on the old stock as compared to previous payments totalling $10 annually.

SUN LIFE CHANGE TO KEEP COMPANY CONTROL CANADIAN

Americans Were Trying to Buy Up Giant Life Company

After a protracted struggle that has lasted for several weeks, the private bill to change the capital structure of the Sun Life Assurance Co., was withdrawn in Parliament. The bill was intended to clear up the misunderstanding that has arisen as to the actual authorized capital of the company, and allows the company to issue additional capital stock up to an authorized amount of $4,000,000, provided that the company does not issue this as a stock dividend or bonus, but for cash at not less than par. The bill further provides that the company may increase the amount of profits payable to participating policyholders; that it may split its stock ten for one, and that at least two-thirds of the shareholders of the company, shall be British subjects and domiciled in Canada.

Why all these elaborate changes in the capital structure of this company? In the first place, the need for a clarification of the company's authorized capital arose through the fact that the Sun Life originally wrote both life and casualty business, the amount of authorized capital for each branch being $2,000,000. However, in 1871, after six years had elapsed, the company dropped the casualty business and decided to specialize in life insurance. The charter for the casualty company was never revoked, however, so that the company has always assumed that the total amount of its authorized capital was $4,000,000. This stand was challenged by G. D. Finlayson, Dominion superintendent of insurance, who claimed that the company's authorized capital was only $2,000,000. Hence this portion of the bill was framed with the idea of finding once and for all the amount of the company's authorized capital.

American After Control

The other sections of the bill which concerns the splitting of the stock, and the nationality of the shareholders, are the result of a silent drama that has been played behind the scenes for some time now. It is fairly well understood that a definite attempt was recently made, to carry a controlling interest in the Sun Life across to the United States. One large block of stock was bought at around $530 and further stock at about $750. Several sales have been recorded at well over the $1,000 mark. In order to prevent the possibility of control of this company passing to the United States, the company has devised the plan of splitting the stock ten to one with the intention of dividing the stock among its employees and policyholders as widely as possible. Given this wide distribution of stock, together with the added precaution of at least two-thirds of the shareholders being British subjects domiciled in Canada, the company hopes to preclude any possibility of a change in control.

The only other way in which the company could have prevented control passing across the line, would have been to turn the company into a mutual organization. It is understood that this course of action is not favored by the company, because of the fact that in other parts of the world where the Sun Life is very firmly established, mutual companies are not rated as highly as stock companies, the idea being prevalent that such companies are synonymous with friendly societies, and other similar organizations.

RAILWAY EARNINGS

	1927	1926	change
Canadian Pacific			
Wk. end April 7	$3,233,000	$3,215,000	+$18,000
Canadian National			
April 7	$4,888,957	$4,708,604	+$180,352

Investor's Index

Acadia Sugar	7	Ice-O-Matic	11
Arnold Bros.	12	International Paper	6
Asbestos Corp.	13	King Edward	21
B. C. Fish	13	Lake St. John	6
Besco	1-13	Laura Secord	11
Bell Telephone	9	Manitoba Power	8
Brand-Hend.	4	Nor. Ont. Light	8
Can. Biscuit	11	Northwest. Util.	1-8
Canada Bread	11	Penman's	1
Can. Canners	1	Perfection Glass	7
Can. Nor. Power	23	Port Alfred	11
Can. Paperboard	11	Sawyer-Massey	7
Can. Steamships	7	Seagram's	11
Cosgrave	11	Shawinigan	8
Dodge Bros.	11	Spanish River	4
Dom. Coal	13	St. Maurice Val.	6
Duluth Superior	21	Toronto Rails	1
Huron & Erie	4	Winnipeg Elec.	23
MINES			
Aconda	18	Lucky Jim	18
Area	18	Noranda	17-18
Argonaut	18	Osisko	18
Barry Hollinger	18	Premier	18
Can. Exploration	19	Rouyn-Boischatel	18
Central Manitoba	18	Sylvanite	18-24
Cons. Smelters	17	Teck Hughes	19
Harvie-Archean	17	Towagamac	24
Lakeside-Lorrain	19	Trethewey-Ossian	18
Laval	18	Victory	18

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Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Lower Level of Prices Expected During Balance of Year
Farm Operations Commence; Excellent Prospects
Casual Labor Largely Absorbed by Seasonal Industries
Iron and Steel Output Expected to Show Improvement

RELATIVE stability of wholesale prices in Canada during the past twelve months has been intrumental in stimulating the volume of business. There have been periodic increases in the index number but over a long term, the tendency has been distinctly downward. So far there have been no indications that the lower trend of prices has caused a slowing up of purchases; in fact, the volume of consumption is greater than it has been for some time back. The last decade has witnessed wide price fluctuations which have wrought considerable hardship on industry. For successful operation, prices, if not stabilized, must at least maintain a consistent and moderate trend.

On a basis of 1913 values, average price of some 236 commodities in this country at the end of March, was only 48.7 per cent. higher. This is as good, if not better, than that recorded by any other country, with the possible exception of the United States. It is worth while noting that the price level in Canada follows very closely that of the United States. This is not unusual in view of similarity of products, purchasing power and supply and demand. Most of our manufactured products are priced in relation to what the same article fetches across the line.

Federal Reserve Regulates Prices

The Federal Reserve System has of late exercised an important influence on steadying of the price level. The System is not given the power to act in price stabilization but it is generally understood that by raising or lowering the rediscount rate, or buying and selling government securities in the open market, the Federal Reserve Banks can regulate to some extent the amount of money and credit available in business, which in turn reacts upon prices. Although Canadian banks do not operate in such fashion, they too have a corresponding effect on prices in the Dominion through control of credit.

It is generally agreed that unless some unforseen circumstance arises, the rediscount rate in this country will not fluctuate to any extent during the balance of the year. This will mean stabilization of available money and credit, which should reflect in easier wholesale prices. No unusual change is expected in the price level, but it is thought that the trend will be downward rather than upward, at least until results of the new crop are made available.

Farmers on the Land

Should this prove to be the case, then the volume of business to be transacted this year should equal, if not exceed, that of last year. Appreciation in the value of the farmers' dollar, is one of many favorable signs. Already the farmers are getting on the land and early advices indicate a spirit of optimism that bodes well for the farming industry. Western agriculturists are solvent. Satisfactory returns from the last two crops has enabled them to liquidate old debts and there will be less borrowing from the banks this year to carry on operations than is usually the case. Lumber dealers, implement manufacturers and others catering to the farm trade, report a good demand for their products. Many farmers, who have been operating with a minimum amount of machinery, are this year taking advantage of their improved financial position to secure those implements which they are in need of. The same applies to improvement of dwellings and out buildings. Moreover, payments are being met promptly, often the full cash payment being made at time of purchase.

Resumption of spring farm operations and stimulating of buying from rural sections, has made itself felt in the large wholesale distributing centres and also among manufacturers. Retail trade in urban centres, however, has not shown any marked change during the past week, buying being of a good nature with favorable prospects for spring lines. There should be a heavier movement of merchandise in the next two or three weeks, by which time most of the floating supply of labor will have been absorbed by construction, forming and other seasonal occupations.

This situation is reflected in revenue freight loadings, which showed a slight decline during the 13th week of the curent year, as compared with the preceding week. In comparison with the same seven-day period of 1926, there is a heavy increase, the totals being 62,306 and 50,201 respectively. Grain and grain products, coal, pulpwood, merchandise and miscellaneous commodities are mainly responsible for the improvement. Decreases are unimportant, except that for pulp and paper which clearly indicates the trend of this industry since the possibility of over production first became evident. The cumulative total to date for 1927 is still much ahead of that for the corresponding period last year, the same commodities as previously mentioned accounting for most of the increase.

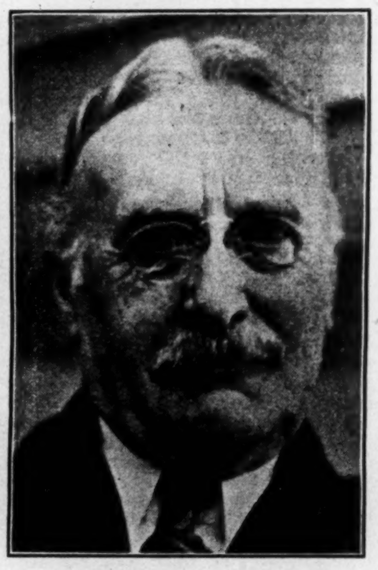
Interest in Iron and Steel Output

Although the government report on iron and steel output for the month of March is not yet available it is expected to show a substantial improvement over February. March is traditionally a month of relatively high activity in the steel and iron industry, but the point of interest is whether output for March this year will show an increase over the same month last year. Aggregate production for the first two months was somewhat disappointing. It will be interesting to see to just what extent the industry has benefitted by conditions in these allied lines.

Acadia Trust Earned 17.7 Per Cent.

Acadia Trust Co. earned 17.7 per cent. in 1926. In the figures compiled for the trust and loan number of The Financial Post these earnings were shown at 12 per cent. due to an error in the capitalization figure, which should have read $200,000. Acadia Trust earnings showed an increase last year.

Britain's Great Merchant Prince American-Born



H. GORDON SELFRIDGE

It was officially announced that negotiations concerning the amalgamation of Selfridge & Co. big London department store, and Whitely & Co. have reached an advanced state and the formal announcement will be made to shareholders shortly. Gordon Selfridge is American born but is Britain's leading retail merchant to-day.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest: This Year	Latest: Last Year	To Date: This Year	To Date: Last Year
Production—(February)—				
Pig iron, tons	50,695	49,746	102,412	106,390
Steel, tons	55,620	53,157	114,171	121,693
Newsprint, cwts.	150,773	135,663	312,497	275,351
Automobiles	18,655	18,838	34,031	30,619
Boots and shoes, pair (Jan.)	1,407,163	1,148,198	1,407,163	1,149,198
Flour, bbls. (Jan.)	1,496,000	1,422,000	1,496,000	1,422,000
Construction—				
Contracts awarded (Mar.)	$17,465,900	$19,779,000	$53,704,600	$45,926,000
Building permits (Jan.)	$5,429,299	$ 4,719,534	$ 5,429,299	$ 4,719,534
Labor—Employment index (Mar.)	96.3	91.5	....	....
Transportation—				
Car loadings (to Apr. 2)	62,306	50,201	790,892	712,638
C.P.R. gross (Feb.)	$13,367,502	$12,613,007	$27,802,871	$26,083,139
C.P.R. net (Feb.)	$ 1,968,198	$ 1,905,980	$ 3,478,433	$ 3,706,889
C.N.R. gross (Feb.)	$19,207,035	$18,337,076	$39,375,294	$37,038,230
C.N.R. net (Feb.)	$ 1,424,242	$ 1,423,573	$ 3,458,596	$ 3,151,955
Population—				
Immigration (Mar.)	4,981	6,993	15,291	21,293
Trade—				
Imports (Feb.)	$74,706,654	$70,908,980	$153,512,654	$140,644,980
Exports (Feb.)	$75,533,607	$87,634,147	$150,799,607	$173,350,147
Imports of key products (Feb.)—				
Rubber, lbs.	5,869,000	4,901,000	4,336,000	4,901,000
Cotton, lbs.	12,278,000	19,209,000	21,278,207	19,209,000
Sugar, $	2,427,990	1,309,609	2,427,990	1,309,609
Petroleum, gal.	31,052,000	38,332,000	52,222,000	38,332,000
Coal, tons (Jan).	1,652,996	1,209,261	1,562,996	1,209,261
Exports of key products (Feb.)—				
Newsprint, (cwt.)	145,263	128,964	304,129	272,003
Automobiles (pass.) (No.) (Jan.)	5,296	3,760	5,296	3,760
Wheat, bus.	11,421,705	14,073,853	.....	27,271,853
Wheat Flour, bbl.	748,499	841,681	....	1,558,412
Finance—				
Failures, number (Jan.)	143	144	334	328
Failures, liabilities, (Feb.)	$2,086,652	$2,836,409	$4,712,944	$5,224,196
Bank debits (Jan.)	$2,293,076,943	$2,131,219,922	$4,912,076,943	$4,499,219,922
Bond sales (Feb.)	$22,266,471	$121,688,799	$74,119,629	$155,033,502
Stock prices index (Mar. 26)	....	....	267.7	171.1
Insurance sales (Jan.)	$36,820,000	$33,600,000	$36,820,000	$33,600,000
Wholesale prices (1913-100)—February—				
General index	....	....	150.1	162.0
Pig iron	....	....	144.4	146.8
Cotton	....	....	116.6	174.5
Grains	....	....	157.7	166.7
Cattle	....	....	102.9	106.1
Rubber	....	....	60.0	95.9

FARM WORK IN FULL SWING BY NEXT WEEK-END

Prospects Are That Larger Acreage Will be Sown This Spring

Spring farm operations in the Prairie Provinces will be general by the end of next week and it is anticipated that the area sown to grains this year will be larger than in 1926. Late harvesting last fall undoubtedly cut down the acreage summerfallowed in all three provinces, but this will be offset by more extensive spring plowing. In addition, the large influx of new settlers during the past twelve months will assure sufficient manpower to handle a larger acreage and may also mean bringing much new land under cultivation.

In some parts of Alberta and the southwest portions of Saskatchewan seeding and plowing are already under way. Late snowstorms and night frosts have delayed the break-up in Manitoba and Saskatchewan and prospects are that seeding at least will not become general for another two weeks. In Manitoba, especially, conditions are unfavorable for land work. Thousands of acres are under water following the recent inclement weather and subsequent thaw.

Farmers are in an excellent position financially and the assurance of more or less stabilized prices for wheat and other grains should be a simulate to carry on more extensive operations. Machinery and equipment houses report a heavier demand for their products than for some years back, and payments are being met promptly. There is plenty of casual labor.

Last year's grain is moving out more freely and it is expected that storage holdings will be well cleaned up before very long. Demand from Europe has been more active, but flour mills have not been grinding on any extensive scale in past three or four weeks. A larger quantity of wheat and oats, as well as rye and flaxseed, will probably be used for seed purposes this year and the carryover is not expected to be out of the ordinary.

NEW TRADE TREATY WILL BE BENEFICIAL

Both Canada and West Indies Should Profit, Says Royal Bank

Within a short time after the first English settlements, the West Indian trade began to attract the Nova Scotian merchants and seamen. Natural products then, as now, constituted the great bulk of the cargoes, says the monthly letter of the Royal Bank of Canada. This trade developed to a point where not less than one hundred sailing vessels were operating out of Halifax, making several trips a year to the West Indies and trading in the manner mentioned above. The ordinary modern steamer at present engaged in this work is equal to 25 or 30 of these old vessels in carrying capacity alone, with ability to make several more trips annually over the same routes.

In the early days, this trade was confined almost entirely to Nova Scotia's trade with the British West Indies, Porto Rico and Cuba. For instance, in 1880, Halifax exported 380,000 quintals of dried fish, of which 120,000 quintals went to Porto Rico, 80,000 to Cuba and 100,000 to Jamaica. In the last twenty-five years Canada's trade with the British possessions in the Caribbean has grown from a value of three million dollars annually until it now has a value of thirty to thirty-five million dollars a year. A detailed history of this movement might well concern itself with a rise in the standard of living of a type which has allowed a former luxury—sugar—to be consumed on so large a scale that we now consider it a necessity. Within the last ten years, Canada's imports of British West Indian sugar have tripled, and the present annual rate of sugar consumption in Canada now averages over 80 pounds per capita.

Sugar and Flour Principal Items

In 1926, out of total imports from the British West Indies having a value of $15,000,000, more than $9,638,000 was accounted for by sugar. If, in addition to this item, $1,200,000 worth of coffee, $250,000 of cocoa and $172,000 worth of rum were mentioned, all but 25 per cent. of the total imports has been accounted for. The coffee comes from Jamaica and the imports of this article have doubled in value in the last two years. The story of Canadian exports is more complex. In 1926, $5,000,000 worth of flour constituted the outstanding item; in addition to this, there was over $2,000,000 worth of alcoholic beverages, and about $1,000,000 worth of fish. These items constituted just a little more than half of the total value of the exports and the remaining items were too varied to permit enumeration, although the sale of $350,000 worth of automobiles, $200,000 worth of fertilizers, $120,000 worth of unmanufactured lumber and $40,000 worth of paper gives some idea of the varied requirements of this market.

Contract Should Be Profitable

Although the expense of the present steamship service presents a difficulty, yet the future need for tropical products makes it seem probable that the present contract between Canada and the British West Indies will eventually prove profitable to both parties. With the growth which is bound to take place in population, Canada will constitute a correspondingly better market for tropical products, leading to further development of the West Indies and, in turn, permitting them to increase their purchases from Canada. Optimism concerning the future of this relationship is based both upon the rapid growth of this trade in the past and upon knowledge of the great natural resources of both the West Indies and Canada.

Kelvinator Gets Big Orders

Kelvinator of Canada has secured a large order in connection with a real estate development on Glen Manor Road, Toronto. Twenty quadruplex Kelvinators were taken by Price Brothers, builders, for 20 four-family houses they are building. Kelvinator's Toronto office has also secured orders for installing electrical refrigeration in Clarendon apartments, soon to be built, and in Lakeside mansions, an older apartment house.

American Business Declines, Check Transactions Indicate

Dollar volume of trade for the week ending April 2 as measured by check payments, was smaller than in either the preceding week or the corresponding week of 1926, according to the weekly statement of the Department of Commerce. Wholesale prices showed practically no change from the previous week but were substantially lower than in the corresponding week of a preceding year.

Production of bituminous coal during the fourth week of March was larger than in either the previous week or the same week of 1926. Lumber production was smaller than in either prior period, while the output of petroleum, showing no change from the previous week, was substantially larger than a year ago. The production of beehive coke was smaller than in either comparative period. Distribution of goods during the fourth week in March, as seen from data on carloadings, was well above last year.

Although the Federal reserve ratio declined from the preceding week, it was considerably higher than a year ago. Bills discounted by Federal reserve banks were smaller than in the preceding week or the corresponding week of 1926. Building contracts awarded during the last week of March, although smaller than during the previous week, were greater than a year ago. Business failures were more numerous than in either the previous week or the same week of the previous year.

E. E. Lineker Opens Brokerage House

Opening of a brokerage house under the firm name of Ernest E. Lineker, member of Montreal Mining Exchange, to specialize in Canadian mining securities, is announced. Mr. Lineker has long been associated with the mining brokerage business.

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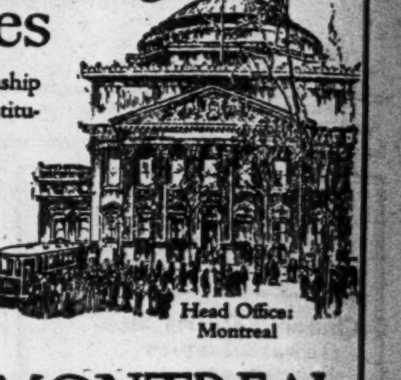

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INDUSTRY SETS HIGH OUTPUT OF THREE BILLIONS

Pulp and Paper Leading Product During Year 1925

Manufacturing industries of Canada had a gross output valued at $2,948,545,315 during the calendar year 1925, according to a report prepared by the Bureau of Statistics. This represents an increase of about $253,000,000 over the preceding year and is also higher than any other year with the possible exception of 1920, when values were greatly inflated. A more accurate impression of the industry's growth may be gleaned from the figures showing the value added by manufacture, which in 1925 amounted to $1,360,879,907. This is over $104,000,000 greater than in the preceding year; $50,000,000 higher than in 1923 and $162,000,000 above that for 1922.

Principal industrial statistics are shown in the following table:

Establishments	22,331
Capital invested	$3,808,289,981
Average capital per establishment	170,538
Employees on salaries	77,623
Salaries	143,056,516
Average salary	1,843
Employees on wages	466,391
Wages	452,958,655
Average wages	971
Cost of Materials	1,587,665,403
Average cost of materials per establishment	71,097
Value of products	2.948,545,315
Average value of products per establishment	132,038
Value added by manufacturer	1,360,879,907

Pulp and Paper Leads

Pulp and paper again assumes the lead as Canada's leading industry, after being displaced from that position by flour and grist milling. Butter and cheese and castings and forgings are the only industry to retain in 1925 the same position held in 1924, namely fifth and eleventh, respectively Slaughtering and meat packing moves up to third; sawmills back to fourth; automobiles and electric light and power change positions, the former now being sixth and the latter seventh. A new group is formed—non-ferrous metal smelting—the value of whose products places it in fourteenth position. The following are the positions of the forty leading industries, as shown in the report:

		Value of products
1	Pulp and paper	$193,092,937
2	Flour and grist mill products	187,944,731
3	Slaughtering and meat packing	163,816,810
4	Sawmills	134,413,845
5	Butter and cheese	124,828,754
6	Automobiles	110,835,380
7	Electric light and power	102,587,882
8	Rubber goods, includ. footwear	78,229,574
9	Cotton yarns and cloth	72,781,517
10	Sugar refineries	68,445,879
11	Castings and forgings	61,754,339
12	Bread and other bakery products	60,392,439
13	Electrical apparatus & supplies	60,158,837
14	Non-ferrous metal smelting	56 633,793
15	Printing and publishing	53,886,802
16	Railway rolling stock	53,050,665
17	Petroleum	50,762,127
18	Hosiery, knit goods and gloves	48,555,434
19	Clothing, women's factory	46,779,771
20	Biscuits, confectionery and chewing gum	46,745,355
21	Cigars and cigarettes	41,985,554
22	Boots and shoes, leather	40,022,515
23	Planing mills, sash and door factories	40.009,152
24	Breweries	38,897,995
25	Clothing, men's factory	38,236,384
26	Rolled products, pig iron, steel products and ferro-alloys	35,337,685
27	Sheet metal products	34,442,488
28	Printing and bookbinding	31,172,495
29	Machinery	30,463,650
30	Fish curing and packing	30,380,992
31	Acids, alkalis, salts and compressed gases	27,483,395
32	Furniture and upholstering	27,110,462
33	Leather tanneries	26,141,217
34	Agricultural implements	24,770,216
35	Furnishing goods, men's	23,040,262
36	Fruit and vegetable canneries	22,376,313
37	Paints and varnishes	22,234,268
38	Brass and copper products	19,155,309
39	Tobacco—chewing, smoking and snuff	18,168,225
40	Hardware and tools	17,882,650
	Total, 40 leading industries	$2,365,007,098
	Total, all industries	2,948,545,315

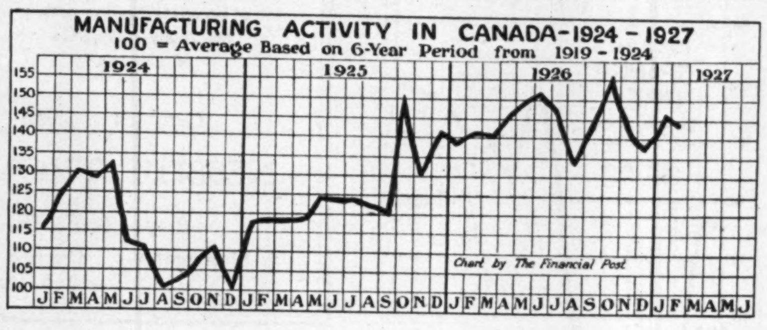
There is little change in the relative standing of the different provinces. Ontario is still in the lead by a comfortable margin, followed by Quebec. British Columbia is next in order of importance and has a long lead on Manitoba, its nearest rival. Position of each province will be seen from the following figures covering value of output:

P. E. Island	$ 4,290,149
Nova Scotia	65,033,701
New Brunswick	73,374,660
Quebec	820,563,757
Ontario	1,527,154,660
Manitoba	124,145,763
Saskatchewan	40,093,273
Alberta	75,113,517
British Columbia	218,775,835

February Volume of Manufactures Lower

Decrease in Index is Small, Owing to Sharp Advance in Lumber Exports and Auto Output — Minor Divisions Progress

Several changes of varied importance took place in the manufacturing situation in Canada during the month of February, according to the Bureau of Statistics index of volume, some of which are especially significant. Taken as a whole, manufacturing did not register any great change, index number at the end of February standing at 144.3, as compared with 145.3 in the previous month, while in the truer comparison with the same month of the last two or three years, February, 1927, was much more active.



Sharp Drop in Sugar

One of the most pronounced changes took place in sugar manufactured. The index for this division in January was 146.1, while for February it had dropped to 91.4. This is even less than in the same month of 1926 and 1925. The reason for this sharp decline is not due to a smaller quantity produced, but owing to the fact that February sugar output during the basic period 1919-24, was exceptionally high.

Cotton imports also registered a drop in the index number during February, amounting to 41.8 points as compared with January. This may be due to the sudden upward swing in cotton prices during the month and also to the fact that the majority of Canadian mills took advantage of the recent slump in the market and contracted supplies for some months ahead.

Newsprint Output Less

Activity in newsprint mills also showed a slight falling off. This was more or less expected in view of the failure of the U.S. market to readily absorb the large quantities which the Canadian mills have been producing. Addition of several new machines last fall, has caused a slight over-production which the mills are meeting by cutting down on output. This will continue until a time when demand meets supply. Meantime, further reductions in the index of volume for newsprint manufacture may be expected.

Iron and steel industry, which has failed to keep up with the marked gains in allied branches of industry, curiously enough, makes an excellent showing during February, the index numbers being 86.2 and 86.0 respectively. Although this is slightly under the record for January, it is in excess of the same month of either of the two preceding years.

Lumber Index Higher

Lumber exports and automobile production are the two principal groups to show improvement. The latter's index number increased from 114.3 in January to 127.0 in February, while the former rose from 195.6 to 214.1 during the same period. This is the first important movement that has taken place in lumber exports for many months and may be taken as an indication that foreign buyers are again coming into the market for Canadian lumber. This industry has been in a state of lethargy for some time and improvement is considered a healthy sign. High activity in automobile production is not surprising in view of activity during the past twelve months, but it is interesting to note that February production index is the highest since June, 1926.

In addition to the above divisions, index of manufacturing also takes into account rubber imports, cattle, sheep and hog slaughterings, butter and cheese storage holdings, wool and petroleum imports. It was largely due to the improvement recorded by these factors that the general index compared so favorably with January and was able to show an increase over the same month of the two or three preceding years.

Half a Million in One Day

On one day the mines of Kirkland Lake sent out not far under half a million dollars in gold bullion. Wright-Hargreaves, Lake Shore and Teck-Hughes all made shipments on the same day. It was noted that the little stack of yellow bricks were accompanied over the five-mile road to Swastika by men who were armed.

ELECTRIC LIGHTS COSTS ARE LOWER

Ontario Has Cheapest Rates of All Provinces For Residential Lighting

Greater consumption, larger supplies and more economical methods of distribution have brought about a reduction in electric light rates paid by residences in the different provinces, except Prince Edward Island, during 1926. The index number for 1926 was 68.7 as compared with 69.9 in 1925 and 72.2 in 1924. These figures are compiled on the basis of rates in 1913 equalling 100. In other words, electric light rates for residences in Canada last year were 31.3 per cent. less than they were thirteen years ago.

There is much variation in the rates charged in the different provinces. Ontario and Quebec with their huge water power resources and developments, supply the power at the lowest cost. Ontario shows lower lighting costs than Quebec due to its policy of selling electric power more cheaply in homes than in factories.

Western Provinces High

Western provinces, with their limited water powers and dependency upon steam plants are paying little less for residence electric light than they did in 1913, British Columbia and Alberta being the exception. There is a wide spread in rates in the Maritimes, as will be seen from the following table compiled by the Bureau of Statistics:

Residence Electric Lighting Rates
Base 1913 rates=100

	1924	1925	1926
Canada	72.2	69.9	68.7
P. E. Island	119.8	119.8	119.8
Nova Scotia	83.6	83.6	83.5
N. Brunswick	79.3	70.5	68.9
Quebec	71.0	64.4	63.4
Ontario	62.0	61.6	60.6
Manitoba	99.9	99.9	99.9
Saskatchewan	100 6	97.6	97.2
Alberta	83.0	82.9	79.0
British Columbia	70.6	70.4	68.3
Yukon	100.0	100.0	100.0

Although this table has been compiled with great care, it is possible there is a certain margin of error, which will be corrected in forthcoming reports. There are a great many factors entering into the price of electricity, and when comparing the prices of different provinces, these factors must be given proper weight. These include costs of power houses, machinery, power dams, storage dams, water rights, transmission lines, distribution lines, etc., operating expenses, including loss of power through transformers, and the nature of the market or load factor which governs the extent to which the equipment is utilized. The effect of each of these factors on the price charged for electricity for residence lighting varies with different plants and locations.

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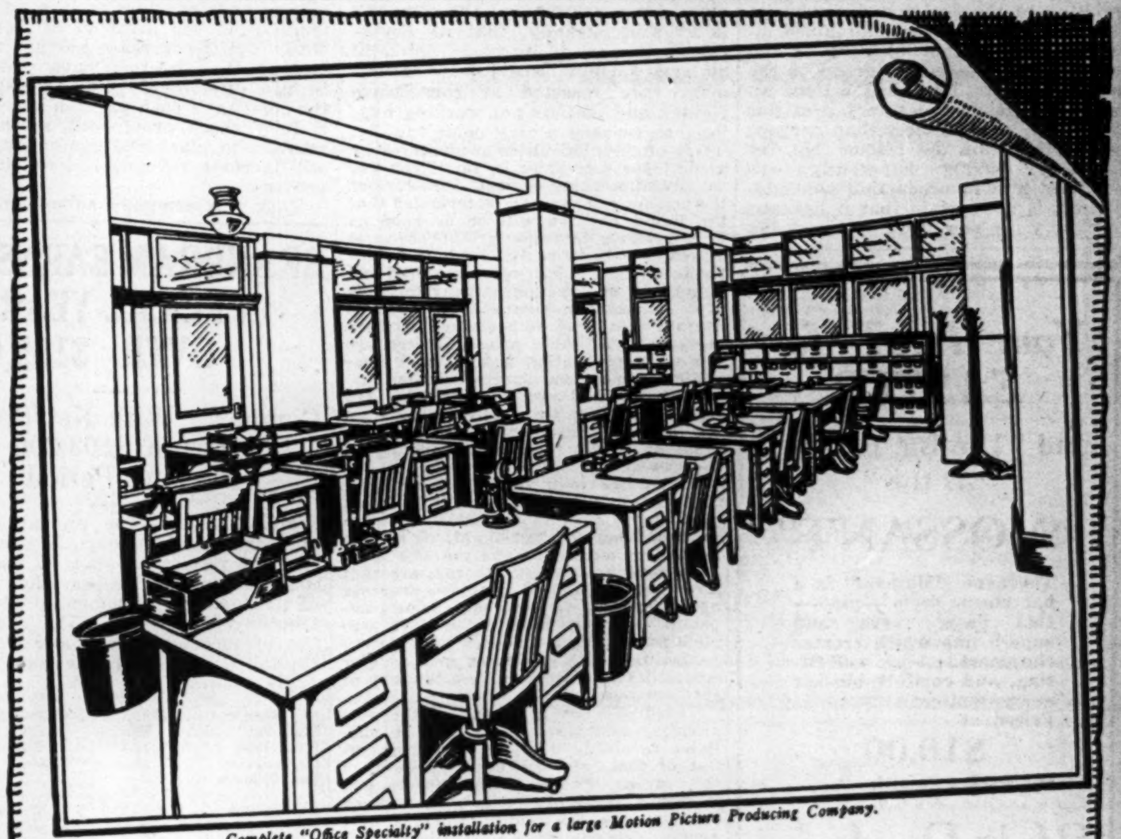

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Spanish River Common is Stock Promising Well to Buyer With Patience

Long View of Pulp and Paper Industry Leads to View Future Will Bring Gratifying Returns

SEVENTH OF A SERIES OF ARTICLES ON COMMON STOCKS

One of the common stocks which is increasingly attractive for investment is that of Spanish River Pulp and Paper Mills. At the present time there is considerable hesitancy on the part of the public in buying the stocks of newsprint companies for the reason that there is a momentary overproduction of newsprint. An analysis of the situation which appeared in a recent issue of The Financial Post indicates, however, that the outlook is not unpromising if a long view is taken. In other words, whatever may be the disadvantage of buying paper stocks at present for a quick turn in the market, there is a positive advantage in some of the better companies for a long hold. After all, the only true investments are investments of a permanent character. People who buy into the sound companies in the pulp and paper industry in Canada hardly can fail to profit if they hang on.

Illustration of the great merit of the paper industry in Canada is the fact that Spanish River has become one of the outstanding successes after a difficult period in its history. While it would be too much to say that the financial position of Spanish River is impregnable, it is evident from even a cursory study of the balance sheets for the last five or six years that the company is financially strong and able to meet any reasonable contingency which may arise.

Working Capital Grows

The working capital of Spanish River has been growing rapidly since 1922. It was $6,066,201 at the end of the fiscal year 1922 and was $9,831,078 at the end of the fiscal year 1926. This 1926 figure is an increase of more than $600,000 in one year and from reports available from unofficial sources, it is anticipated that 1927 will be just as profitable and gratifying from the viewpoint of the shareholders. The fiscal year of Spanish River ends June 30.

Earnings per share on the stock were well over 12 per cent. when equally divided between the preferred and common shares. This was the eighth successive year in which Spanish River had earned upwards of 10 per cent., although the dividend rate has been maintained at 7 per cent. throughout. There has been discussion among investors as to a possible increase in the dividend of Spanish River, but the increase has not come. Instead the directors have operated in two directions: first, to improve the company's cash position and make it fully shock proof, and, second, to reinvest in plant and equipment that will increase revenue and reduce expenses.

Thus this company adheres to the sound principles of ploughing back earnings. This policy, while it may be exasperating to speculators in the stock market who hope for quick turnover to make their profits, is in the long run in the best interests of the shareholders, because it is in the best interests of the company.

Investments Grow

Spanish River operates plants at Sault Ste. Marie, Ont., Espanola, Ont., and Sturgeon Falls, Ont. It is a manufacturer of ground wood and sulphite pulp, newsprint paper, board and so forth. In addition to its activities as an operating company, it also functions as a holding company in that it controls Lake Superior Paper Co., and recently has acquired a substantial investment in Fort William Paper Co., The management is experienced and capable.

As will be observed from the accompanying chart, the course of the stock since 1912 has been somewhat erratic, but the tendency in the last five years justifiably has been upward. In the last few weeks it will be noted that there has been a drop in the average price of the stock. This probably is due to the uncertainty in the immediate outlook which naturally affects the current quotations. But investors who are wise will not concern themselves particularly with the day to day movements in the stock market so long as the company back of the stock is soundly financed and well managed. Spanish River is in this class and investors, in the opinion of most competent observers, have little to worry about for their participation in the fortunes of Spanish River.

Our First Bequest

The Broad Base on which rests the Rising Fabric of Our Prosperity

The second of a series of booklets dealing with the Basic Industries of Canada

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MARKET SLUMP IS LONG OVERDUE, SAY OBSERVERS

Distress in New York Would Cause Anxiety in Canada

Competent observers of trends in stock-market prices, who have won their titles through long years of experience, confess themselves pleasingly disconcerted by the refusal of the market to act true to precedent and set in for a period of falling prices. By the usual means of forecast, it was determined that the New York market was due for a decline in prices about a year and a half ago. Still the market continued serene in its bullish sentiment and withstanding the best efforts of bears.

Yet it may be noted that there are soft spots and uncertain groups in the New York market. General price level has remained remarkably high more through the spectacular strength of certain of the leaders rather than from a general average of rising prices. The uncertainty, if not the recessions, are notable in the motor group where, with the exception of General Motors, there is talk of the kind heard every six months for the last fifteen years or more. In the later years, however, talk of a saturation point has been based on the problem of the used car, with some discussion as to whether or not the credit position of the industry, in its relation to the dealer and car-buyer, is sound enough to be maintained indefinitely. Another element of uncertainty in the motor group is the attitude of Mr. Ford. His actions always are watched closely, but at this time with more anxiety than perhaps ever before for the reason that the industry, having apparently outstripped him in production and marketing, is not certain that it has won a victory. A new Ford at a new low price would result interestingly from the viewpoint of investors in motor stocks.

A pronounced slump on the New York market inevitably would be reflected in the Canadian market, although the Canadian market in recent months has indicated a growing independence. In existing circumstances, it is considered advisable that investors keep their position liquid.

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	5	2	2	9
Paper	8	6	3	17
Steel	12	6	21	39
Foodstuffs	14	12	13	39
Utilities	12	6	11	29
Tractions	3	5	6	14
Textiles	6	3	9	18
Industrials	13	13	30	56
Total	73	53	95	221

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Apr. 13	94.6	91.7
Week of Apr. 6	93.3	90.3
Month of Apr., 1926	83.3	77.4
9 Bank Stocks		
Week of Apr. 13	$240	$239
Week of Apr. 6	239	238
Month of April, 1926	226	222
10 Public Utilities		
Week of Apr. 13	109	107
Week of Apr. 6	109	106
Month of April, 1926	94	91

PREFERRED OF CANNERS WILL GET 5 PER CENT.

(Continued from page 1)

ago showed net earnings of only 5.92 per cent. on the preferred, the balance sheet was revealed to be a most conservative document and comparison with the balance sheets of previous years proves that the company is growing steadily, that its depreciation account is increased annually by large amounts, that its new investments are inserted at consecutive figures and that its net working capital has reached a high point rapidly.

One of the difficulties encountered by predecessor companies in this field was paucity of working capital. Directors of the present company are determined that the liquid position will be as good as it is possible to make it, both because a greater working capital tends to reduce the total of bank borrowing required and because it enables the company to carry over stocks from bumper-crop years to average years and then dispose of these stocks at profitable prices. Prices are low when production is high, and companies with a slim margin between current assets and current liabilities are compelled often to sacrifice stocks on low markets in order to reduce bank loans or to get the cash to operate in the new season.

Taking the long view, it is probable that Canadian Canners is one of the most promising Canadian industrial companies, whatever may be the outlook for the next eight months or two years. Modern conditions are such as to indicate that strong companies will be able to progress at the expense of the weak. Some competent observers have declared it possible to observe a tendency of big companies to get even larger and smaller companies to disappear from the map of corporate existence.

Canadian Canners is one of the outstanding companies in its line. It compares favorably with the most prosperous of them all, California Packers, in the opinion of some of its sponsors, and it excels most of the large American companies in this field in that it is more nearly self-contained. Canadian Canners, for instance, manufactures its own cans. The most rapidly moving piece of machinery in its plant is manufactured in its own shops and serviced therefrom.

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BRANDRAM EARNS IN FISCAL YEAR OVER $155,000

Compares With Net Before Charges of $103,296 in Previous Period

MONTREAL.—The annual report of Brandram-Henderson, Limited, for the 1926 fiscal year shows a material improvement in the earning power of the company as compared with the preceding two years. The comparison of income account and working capital figures over the past three years follows

	1926	1925	1924
Net Earnings	$155,766	$103,296	$101,827
Bond Int.	68,723	70,231	71,299
Bond Disc.	12,494	12,494	12,494
Depreciation	10,000	8,000	7,500
Tax Reserve	......	......	9,180
Net Profits	$ 64,549	$ 12,571	$ 1,354
Pref. Dividends	35,000	35,000	35,000
Com. Dividends	......	......	47,196
Bad debt Res.	......	52,500	30,000
Inventory res.	......	70,000	......
Pensions	3,500	3,500	......
Surplus	26,049	*148,249	*80,842
Prev. surp.	732,658	726,087	836,929
Trans. from res.	......	155,000	......
Bal. forward	758,707	732,658	726,087

* Deficit.

Working Capital

	1926	1925	1924
Curr. assets	$1,528,709	$1,551,476	$1,503,265
Curr. liabs.	551,668	587,535	468,978
Working capital	977,041	963,941	1,034,287

Balance Sheet Changes

Changes in the balance sheet were hardly of a significant character. Fixed assets are up some $9,000, and bond discount account has been reduced to $35,422 from $47,916 last year. In the liabilities, the bonded indebtedness of the company stands at $1,134,500—a reduction of $24,100, as compared with the last annual balance sheet. The reserves have been increased by $9,000, and the surplus account shows the increase noted in the foregoing figures.

In his remarks to the shareholders, George Henderson, president and general manager, says in part:

"These encouraging results are chiefly attributable to an aggressive sales policy in the industrial field, to economies in operating methods and to a somewhat improved condition of trade throughout the Dominion, which your directors feel will still further develop in 1927.

"It is also a pleasure to inform you that the 1926 operations of our subsidiaries, Alberta Linseed Oil Co., and Pacific White Lead Co., have been satisfactory and profitable."

Alberta Hail Insurance

A net income of $69,171.15 was made by the Hail Insurance Board of Alberta for the year ending January 31, 1927, as compared with $49,299.49 in the previous year.

Huron and Erie Buys Southern Loan at $135

Arrangements have been made for the purchase of the Southern Loan & Savings Company by the Huron & Erie Mortgage Corporation at a cash price of $153 for every $100 par value of stock, payment to be made forthwith upon completion of the deal.

The Southern Loan & Savings Company is one of the pioneer mortgage companies of Western Ontario, having begun business in 1870. The institution is in splendid shape having a paid-up capital of $900,000, and a reserve fund and undivided profits of more than $400,000.

The total asets of the Southern Loan & Savings Company are in excess of $3,000,000.

Imperial Bank Makes Important Staff Changes

Imperial Bank of Canada announces the following staff changes: P. B. Reeve, formerly assistant manager, Edmonton, has been appointed assistant manager, Vancouver, B. C.; J. R. Henley, formerly accountant, Edmonton branch, has been promoted to the assistant manager's post; L. S. Mackersy, formerly accountant, Nelson, B. C., has been appointed accountant, Edmonton branch; J. S. W. Clowes, formerly assistant accountant, Vancouver, B. C., has been appointed accountant at Nelson, B. C.; G. H. Davies, formerly of Wetaskiwin branch, has been appointed accountant-teller, North Winnipeg; R. B. Wansbrough, formerly teller-accountant at Gore and Queen, Sault Ste. Marie, has been appointed accountant, Cochrane, Ont.; J. Champion, formerly attached to Cobalt branch, is at present acting manager, Hearst, Ont.; S. McCutcheon, formerly accountant, Cochrane, has been appointed acting manager at Mistassini, Que., which branch has been recently opened.

Boat Service to Mexico

The Mexican government has undertaken to give a steamer service monthly from Manzanillo, or other port, to Vancouver. The Mexican government will also open offices in Vancouver for its railway system to develop tourist traffic to Mexico. The first ship will arrive in May.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo-Ft. Erie Bdge 7s '55	107½	108½
Do., 8s '45	106½	108
Buff Gen Elec 1st 5s '39	104	...
Do., pref. 5s '39	104	...
Bfo N & E Pow 5s '30	100	100¾
Lockport L H & P 5½ '54	103	...
N. F. 1st & can 6s 1950	104½	106
STOCKS		
Niagara Falls Pw pf.	27¾	28¾
Niag Lock & Ont pf	113½	114½

SAY PACKERS PLAN MERGER AS MEANS TO RESTORE TRADE

(Continued from page 1)

clude the leading Canadian packers would result in economies of operation and administration which would benefit all concerned.

Provincial ministers of agriculture and representatives of packers, hog-breeding and raising associations and co-operative associations will meet in Ottawa on April 22 and 23 at the invitation of Hon. W. S. Motherwell, minister of agriculture in the Dominion government. The purpose will be to attempt to devise a means of bettering the market for hogs and bacon.

A conference held in 1921 fixed on a grading of Canadian hogs into two main classifications suitable for the British market, where a bacon hog was demanded, as against a lard hog suitable for the United States market. There was fixed a minimum differential of 10 per cent. in the prices.

Policy Breaks Down

But while this policy was effective for a time and the British market was a lucrative one, it soon broke down for a variety of reasons. One was that the minimum differential could not be maintained because there was an effort on the part of growers to improve the quality of the second grade to obtain better prices. Then causes arising in Great Britain, first an embargo on fresh pork from Holland which led the Hollanders to export bacon to that country, and then economic conditions which enabled the poorer European countries to undersell the Canadians in that market were factors. The climax came with the British strike which not only hampered transportation, but also lowered the purchasing power of the British people.

American buyers in the Canadian market with a different standard of demand and a disinclination to observe the Canadian grading also were a factor which adversely affected the Canadian packers. Canadian live hogs enter the United States under a duty of a half cent a pound, fresh pork at three-quarters of a cent. a pound, and processed pork at two cents a pound. Thus the Canadian packer could not sell bacon in the American market and even Canadian pork or hogs which entered the United States over the tariff wall came out of the packing houses in that country as American bacon.

Losses Astonishing

With specific regard to the British market, a report of the packers submitted at a recent meeting of the packers' representatives, joint swine committee and government officials, reads as follows, as reported in Hansard:

Losses mounted with astonishing rapidity. The Canadian packers loath to abandon their natural markets held on long after they should have curtailed their shipments. Finally, their finances drained to the limit, they have had to almost abandon the British market, at least for the present. With the collapse of the British trade, packers have been forced to seek other markets, mostly in the United States. But in these markets our special type of hog receives no special consideration. Temporarily the select bacon grade when used for its special purpose, the British trade, sells at a greater loss than the other grades when they are used in the domestic trade or exported to the United States. In the domestic trade both the "select bacon" and the bacon type "thick smooth" hogs are superior to the fat type and poor quality thick smooths and the other grades. In the United States markets there are practically no differences in value for any of our grades of hogs, except, of course, roughs, sows and stags.

Ontario Equitable Actuary Going to London Meet

The Ontario Equitable was represented at the managers' school conducted by the Life Insurance Sales Research Bureau in Chicago, from April 5 to 9, by G. T. Baker, manager at Toronto, and A. J. Douglas, manager at Montreal.

Among those who will participate in the International Congress of Actuaries to be held in London, England, June 27 to 30, is G. W. Geddes, F. A. S., actuary of the Ontario Equitable Life and Accident Insurance Company, Waterloo.

Mr. Geddes is a Fellow of the Actuarial Society of America. Previous to joining the Ontario Equitable he was with the Continental Life, at Wilmington, Delaware.

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Stock Market Record

WEEK ENDING APRIL 11

	Div. Rate	Yield April 9	High for wk.	Low for wk.	Close Apr. 11	Close Apr. 5	Sales for wk.	Range, 1927 High	Low
Banks—									
Commerce	12+1	5.41	241	240	241	241	47	248	228
Dominion	12+1	5.72	228	227	227½	227	58	230	225
Can. Nationale	10	6.09	164	163	164	165	18	165	160½
Imperial	12+1	5.47	220	219	219½	219½	50	222	214
Montreal	12+2	4.79	292	290	292	290	92	295	272
Nova Scotia	16	5.04	317	316	317	316	36	321	298
Royal	12+2	5.40	260	259	259½	259	81	266	257
Standard	12	5.91	203	200	202	203	31	207	196
Toronto	12	5.17	232	231	232	230	35	238½	230
Paper—									
Abitibi, com. (no par)	5	5.37	94	92½	91¾	92	3291	94	82
Do. pref.	7	5.88	119	119	119	117	5	119	113
Belgo-Can. pref.	7	6.86	102	101½	102	101¾	110	103	101
Brompton (no par)	$2	6.15	32½	31¾	32	32	1305	35	31
Fraser, pref.	7	7.17	97	97	97	97¼	35	97¾	96¾
Inter. Paper, com.	$2	3.54	56⅞	55	56¼	56⅞	4800	60⅞	53⅛
Laurentide	6	5.82	104	102	102	102⅝	3542	110¾	98½
Price Bros., com.	2	3.30	61	60½	60½	60	376	63	59
Do. pref.	6½	6.37	102	100	101	102	65	104	100
Prov. Paper, com.	6+1	5.38						130	115
Do. pref.	7	6.60						107	105¼
Smith, Howard, com.			63	62	62	61½	190	68¾	60
Do. pref.	8	7.27	110	108½	109½	110	92	110	103½
Span. River, com.	7	6.81	102¾	101	102	100½	1822	102½	98¼
Do. pref.	7	6.12	114	113	114¼	113½	212	115¾	112
Wayagamack	$3	6.25	48½	47½	48½	48	1015	54¾	46½
Steel and Steel Industries—									
B.E. Steel, com.			½	½	½	½	70	1¾	½
Do. 1st pref.			14½	14	14	14	175	22¼	10
Do. 2nd pref.			1¼	1⅛	1¼	1¼	900	4	1⅛
Can. Car & Found., com.			45	40½	45	40	370	50½	38½
Do. pref.	7	7.65	91½	88	91	89	2153	94½	88
Can. Fairbanks, pref.	6	7.81						82	80
Can. Forgings, com.								24	18
Do. pref.								85	66
C.G.E., com. (par $50)								51	50
Do. pref. (par $50)	7	6.03	58¼	57	57½	58	88	59¼	56¼
Can. Locomotive, com.								48	40
Do. pref.	7	8.11						89	85¼
Canada Iron, com.								15	12
Do. pref.	4	7.27						57	42
Dominion Bridge	4+2	3.97	153½	150	150	153	1550	154	116¾
Dominion Coal			70	70	70	69	5	75	69
Dominion Iron, pref.								5	2¾
Dom. Radiator, pref.	7	6.93						101¾	100
Dom. Steel Corp., pref.			21	20½	21	20¼	70	25	20
Ford Motor	10							436	436
Gould Pumps, pref.	7	7.00						100	100
Kelvinator, com. (no par)			11½	11½	11½	13	50	15	9⅞
Do. pref.	7	7.52	93	93	93	93	2	95	88½
McKin. Ind., c. (no par)			20	20	20	17½	25	21	15
Do. pref.	7	7.36	95	94½	95	93¾	60	95½	93¼
Do. Voting Trust			18	17	18	16	75	18	15
Massey-Harris, com.			138½	134¼	135½	135	12280	138¼	67½
Do. (new)			35	33⅝	33¾	34	39846	35	29½
Do. pref.	7	6.40	109¾	109	109⅝	109½	4824	109¾	100
Ontario Steel, com.	4	5.26						78	73
Do. pref.	7	7.00						102½	100
Page Hersey, c. (no par)	$3	4.38	69¾	66	69	65	2373	69¾	55½
Do. pref.	7	5.03	140	135	138	134	611	140	116
Pressed Metals, com.								40	34¼
Do. pref.	7	8.23						85	85
Russell Motor, com.	3	3.76						52	52
Do. pref.	7	7.21						97⅛	90⅛
Sawyer-Massey, com.								1	1
Do. pref.								22	5
Steel of Canada, com.	7	5.24	135	133½	133¾	133	1498	134	117
Do. pref.	7	5.16	137	134	135½	135	151	137	127
Milling and Foodstuffs—									
Alta. Pac. Grain			22	19½	19½	21½	95	27¼	19½
Do. pref.	7	7.77	90	89½	90	89	81	92	87½
Arnolds, com. (no par)			25⅛	22¼	23¾	22	1647	36	18
Do. pref.	7	7.69	91	90½	91	90	15	95	84
Atlantic Sugar, com.			26½	25⅝	26	27	290	30½	24½
Do. pref.			92	92	92	93½	55	93½	90
B.C. Fishing	5	5.84	87¾	77½	85½		9492	94½	72½
Do. (new)	$1.25	6.00	21½	19½	21¼		5705	21½	19½
Do. pref.	7	7.77	90	89½	90		1430	90	88½
Can. Bak., c. (no par)			34½	33	34½	33½	55	38½	27
Do. pref.	7	6.93						101½	98
Can. Bread, com. (no par)	$5	4.60	112	107	112	105	100	116	90
Do. pref. (A)	7	6.36						116	108½
Do. pref. (B)	7	6.39	110	109½	110	110	57	112¼	103
Can. Canners, com.			51	44	51	44½	527	51	21
Do. pref.	4	4.44	96¼	84½	96	84½	2927	96¼	76
Canadian Salt	8	5.88						136	123
Christie Brown (no par)	$1.20	3.08						40½	38
City Dairy, c. (par $25)	$3+1	3.54	115	110¼	112½	108¼	950	115	79
Do. pref.	7	5.93	118	117¾	118	118	55	119	112
Cuban Can. Sugar, com.			2¾	2¾	2¾	3½	105	5	2¾
Do. pref.			34	34	34	35	40	37	29
Wm. Davies (A) (no par)			30½	29½	30	30½	180	33	25
Do. (B) (no par)			10	10	10	9	165	10	9
Dominion Stores (no par)	$2.40	3.33	75¼	74¾	74¾	75½	50	77¼	65
Hamilton Dairies, com.			28	28	28	29	50	33	24
Do. pref.	7	7.16	97¾	97	97¾	97	21	98½	96
Inter. Milling, pref.	7	6.63	105½	105½	105½	105½	35	107	104
Lake of Woods, com.	12	8.00	150	150	150	150	10	160	149¼
Do. pref.	7	5.99	116¾	116¾	116¾	116¾	5	117	115
Loblaw, com.	1.25	2.55	49⅛	49¼	49⅛	50	50	51	48
Do. pref.	7	6.36						110	107
Maple Leaf Mill, com.								75	61½
Do. pref.	7	7.07	99½	99	99½	99	11	101¼	99
Ogilvie Flour, com.	5	1.96	255	254	255	251	250	255	205
Do. pref.	7	5.69	123	123	123	123	15	123	120¼
Pure Gold Mfg. (no par)	$1.50	7.89	20	19⅛	20	19½	195	21	19⅛
Shred. Wh. (no par)	$3	4.80	65	62	64½	62½	1665	65	55
St. Law. Flour, com.			31	30	30	30	200	31½	28
Do. pref.	7	8.64	84	81	81	83¾	30	84	81
Viau Biscuits, com.			20	19	19	23	150	26	18
Do. pref.	7	8.04	88	86⅞	88	89	171	89	85½
Western Groc., c. (no par)	$1		24	22½	24	23	29	29	20
Do. pref.	7	8.86	79	79	79	79	25	84	74¼
West. Can. Fl., c. (no par)	1.40	5.00	28½	28	28	28¾	20	29½	22
Do. pref.	6½	6.35	102¼	102¼	102¼	103	7	103	100
Textiles—									
Can. Conn. Cotton, pref.	4	9.30	43	43	43	43	10	50	36
Can. Converters	7	6.54	107	103	106½	100½	1350	107	100
Can. Cotton, com.	8	6.06	132	130	131	129⅞	272	132	120
Do. pref.	6	6.12	98	98	98	98	23	100	95
Can. Woollens, com.								10	5
Do. pref.								63½	60
Cosmos Imp., com.			21½	20½	21½	21¼	1401	22¼	13
Do. pref.	7	7.29	97	95	96	97¾	126	98	91¼
Dom. Textile, com.	5	4.31	117	115¾	117	115	1934	117¼	105
Do. pref.	7	5.88	120	120	120	119	10	121	117
Monarch Knitting, pref.								54	50
Montreal Cottons, com.	6	5.31	113	113	113	112½	6	115	110
Do. pref.	7	5.99						118	115
Penmans, com.	8+2	4.42						226	182¼
Do. pref.	6	5.71	105	105	105	105	25	105	101½
Do. new	$4	5.12	78	75½	78	78½	1040	78½	76
Wabasso Cotton	6	6.48						116	92½
Do. Rights			15	14	15	15½	96	16½	14
General Industrials—									
Amer. Sales, c. (par $20)	4	6.15	65	64	64	65	88	75	65
Do. pref.	7	6.48	100⅛	100	100⅛	100	17	100⅛	97½
Do. Rights			5½	4	4	5½	171	6	4
Asbestos Corp., com.			24	22½	22½	24	4047	24¾	21
Do. pref.	7	8.00	88½	87	87	87¾	5027	88½	82¾
Building Products, pref.	7	7.21	97	97	97	96	5	97	93½
Brant. Cd. pf. (par $25)	8	8.24	24	23½	23¾	23½	137	25	21
Burt, F. N., com.	12	4.83	64½	58	63	58	3290	65¼	56½
Do. pref.	7	4.86						x210⅛	210⅛
Canada Cement, com.	6	4.16	145⅛	142	144⅞	142	2327	147	124½
Do. pref.	7	5.83	120	117	120	118	307	120¼	116
C. Ind. Alc. (no par)	1.28	4.57	29¾	26¼	29⅝	26⅝	24177	29¾	21¼
Canadian Oil, com.	5	3.84	134	128½	130	135	195	135	99
Do. pref.	8	6.72	120	118	120	119	80	120¼	115½
Crow's Nest Coal	6	9.37	64	64	64	64½	5	66½	63½
Dom. Glass, com.	7	6.03	118¾	115½	118⅝	115½	4166	118¾	104
Do. pref.	7	6.25						114½	111¼
Dom. Rubber, pref.	7	8.75						x87½	80
East Theat., c. (par $25)			26	26	26	26	70	30	24
Do. pref.	7	7.36						95	92½
Famous Players, com.								30	20
Do. pref.	8	8.24	97½	97	97	97	175	101	93¾
Gilman, com.	6	4.91						x127⅛	104½
Do. pref.	7	6.36	110	110	110	120	1	125	114
Goodyear Tire, pref.	7	6.93	101	100½	101	101	60	109	94½
Holt, Renfrew, com.								43	43
Do. pref.	7	7.60						92	85
Hunts, Ltd., com.			22½	22	22½	22	218	22½	20
Do. pref.			95	93½	93½		127	95	93½
King Ed. Hotel			51¼	40½	51¼	40½	660	51¼	20
Laura Secord, com.			30½	30	30⅝	30½	60	31	29
Do. pref.	7	6.76	104	103	103	104	121	104½	102
Lyall Construction								45½	35¾
Loew's, com.								47	38
Do. pref.								105	96½
Nat. Brew., c. (par $25)	4	5.71	70½	69	70	70¼	2315	71⅝	65
Do. pref.	7	6.51	107½	107½	107½	107½	77	110	105
National Brick, com.								10	8
Do. pref.	7	6.54	70	70	70	70	80	81	65
Pacific Burt, com.	6	6.80	87	87	87	87	5	89½	87
Do. pref.	7	6.79	103	103	103	103	1	108	102
Utilities—									
Bell Telephone	8	5.33	150	148½	150	148½	839	158½	137
Calgary Power								50	50
Consumers Gas	10	5.52	181	180	181	180	227	182	171½
East Koot. Power, com.								29¼	26
Do. pref.			97	97	97	97	30	98½	96½
Inter. Util. (A) (no par)	3.50	10.14	34½	34	34	35	120	35	28
Jamaica Pub. Ser., pref.	7	7.00	100	100	100	99¾	35	100	97
Laurentide Power	5	4.34	115	114	115	113¾	60	120	107½
Mackay, com.	7	5.73	123	120¼	122	123⅛	267	127½	119
Do. pref.	4	5.71	70¾	70	70	71	61	74	69
Mexican Light, com.								49½	27
Do. pref.								100	77¼
Mont. L H & Pr. (no par)	$2	2.42	82½	78	82	78½	21488	82½	68½
Montreal Teleg. (par $40)	8	5.23	49¾	49¾	49¾	49	20	50½	49
Nor. Mexico Pr., com.	1		59½	55	58	58	410	59½	42
Do. pref.	7	8.23						86	82½
Ottawa & Hull Pr., com.			28	27	27	28	10	28	27
Do. pref.	7	7.29						99½	96
Ottawa L H & Pr., com.	6	6.00	102	102	102	102	10	102	96
Do. pref.	6½	6.19	105	105	105	105	6	105½	102
Quebec Power, com.	6	2.42	248	241	246½	243	3370	248	190
Do. Rights			43	41½	43	41	2641	43	31
Shawinigan	$2	2.32	89	77	88¼	77¼	24738	89	67
South. Can. Pr., com.	2	2.22	90	90	90	89	110	90	85
Do. pref.	6	5.98	100¼	100⅛	100⅛	100	25	102	100
Transportation—									
Can. Pacific Rly.	10	5.49	184½	182	183¼	184	237	190	166
Can. Steamships, com.			40½	40	40	41	390	42	35
Do. pref.	6	6.48	92½	91⅝	92½	92	2677	92½	82½
Do. Voting								87½	82½
Tractions—									
Barcelona (par $50)			46	46	46	48	1	48	33½
Brazilian, com.	6	4.54	134½	131¼	133¾	132½	15393	135	102½
Do. pref.	6	5.12	117	116½	116½	116⅝	1500	117¾	104
Detroit Un. Rly.								5	2
Duluth-Superior			30	29½	30	30	440	30	25
Illinois Traction, pref.	6							x100½	96½
Mexican Tram.								21	19½
Montreal Trams.	10	5.12	200	184	195	180	497	200	109
Ottawa Traction	4+1	7.29	68⅞	68½	68½	70	10	70	64
Porto Rico Rlys., com.	2	2.07						70¾	59
Do. pref.	7	7.29	96	96	96	96⅛	57	96⅛	90
Twin City, com.	4	7.14	57	54½	55	57	876	66	54½
Do. pref.	7	7.00	100	100	100	100	10	100	100
Winnipeg Elec., com.			68	66½	67½	65¾	3080	68	60¾
Do. pref.	7	6.82	103	102	103	103	26	105	100¾
Port Hope Sanitary, com.	3	2.30	130	130	130	130	50	130	125
Do. pref.	7	6.54						107	90
Rogers, Wm., com.								80	64
Do. pref.	7	7.29						100	92
Sher-Williams, com.	6	3.94	153	150	152	150	75	155½	142
Do. pref.	7	5.85						120½	118
Seagram			27¾	24½	24¾	25	4720	27¾	15
Sterling Coal	4	13.33	32	30	32	36	49	36	30
Tooke Bros., com.								x8	8
Do. pref.	7	8.33						89	80
Tuckett Tobacco, com.	4	5.71	70½	70	70	71	450	72	69
Do. pref.	7	6.63						106¼	104
Woods Mfg., com.								45	39
Do. pref.	7	8.69						89	80
Trust and Loan—									
Can. Landed (par $50)	10+1	5.57	100	100	100	100	6	100½	94
Can. Permanent	12	5.42	221	220	220	221	24	221	216½
Colonial Invest.	6							7	6¼
Huron & Erie	7+1½	5.28						142	139
Landed Banking	9	5.29						170	161
Montreal Loan (par $50)	12+1	6.19						52¾	50
National Trust	12	4.89	250	247½	250	250	8	255	232
Ontario Loan (par $50)	12	5.12						117	111
Real Estate Loan	7	7.00						100	100
Toronto Gen. Trusts	12	5.15						233	220
Toronto Mtge. (par $50)	10+1	10.87	102	102	102	101½	3	102	100
Union Trust	7	6.48						110	104

CURB AND UNLISTED MARKETS

	Div. Rate	Yield April 9	High for wk.	Low for wk.	Close Apr. 11	Close Apr. 5	Sales for wk.	Range, 1927 High	Low
Anticosti, pref.								98¾	98
Attendu Engine (par $2)			18½	18	18	19	480	35¼	14
Beacon Oil			16¾	16	16¼	16	1265	20¾	15¾
Belding, com.	6	8.10	74	74	74	74	20	88	70
Do. pref.	7	7.00						100	100
Brit. Amer. Oil (par $25)	80c	2.96	26¼	25	25⅝	26	12668	27	20
Brew. & Distil. (par $5)	5		5	4½	4½	4½	235	5¼	4½
Can. Brewing			27	25½	27	25½	330	30¼	24
Can. Light and Pr.			29	27	29	25½	40	29	20¾
Can. Nor. Pr., c. (no par)			51½	51	51	51	12	52	42
Do. pref.	7	7.07	99	98	99	99	51	99½	98
Cockshutt, pref.	4	5.12	82	73	81¾	72	872	82	70
Continental Oil	$1	5.32	19	18⅞	19	19¾	125	22½	18⅞
Cosgrave Brew. (par $10)	5	6.89	7¼	7	7	7¼	995	8	7
Cooksville Shale Brick, c.								10¾	10¾
Do. pref.	4							50½	50½
Dom. Engineering	8	4.44	170	170	170	180	10	180	135
Dom. Power, pref.								101	100½
Dryden Power (no par)			15	12	14½	12	1475	15½	11
Eastern Dairies (no par)			23	22½	23	22⅛	610	25¾	20
Eng. Elec., com. (no par)								16	15
Do. pref.								80¼	72½
Good. & Worts (no par)	$1	1.80	64	60	60	59⅞	15885	64	43
Hiram Walker			44	41	43	40½	25716	44	28½
Illinois Power, pref.	7	7.07						100½	98
Imperial Oil	$1+12½	2.29	45⅝	44¼	45	44¼	9006	47	37¾
Imp. Tobacco, c. (no par)	6		7	6¾	6¾	6⅞	900	7	6¾
Inter. Petroleum	75c	2.34	32½	31	32¾	31	4835	35¼	30⅝
Manitoba Power (no par)			56½	55	55	55⅝	73	58½	50
McColl, com. (no par)	80c	2.63	31¾	29¾	30¾	30	967	33¾	29½
Do. pref.	7	6.42	109¾	109¼	109¼	109¼	30	109½	100
Mount Royal, com.								6	4½
Do. pref.								55¾	54
North Star Oil, com.			2.50	2.50	2.50	2.40	4	2.50	1.15
Do. pref.	7		4.90	4.90	4.90	4.90	110	5.01	1.90
N.S. Car, com.								25	18¼
Ott. Mtl. Pr., c. (no par)								25	18¾
Do. pref.								48⅝	47½
Ottawa Riv. Pr. (no par)			25	25	25	25	32	26	25
Do. pref.			46	46	46		10	46	46
Paton Mfg., com. (no par)			52	52	52	55	20	56	52
Do. pref.			99	99	99	99	25	100	99
Power Corp., c. (no par)			33½	28	32½	28	2670	33½	27¼
Do. pref.	6	6.25	97	95½	96	96¼	126	97½	94
Port Alfred, pref.	7							97½	95
Que. South. Pr. (no par)								28½	25
St. Maur. Power			119	115	114	119	350	121	96
St. Maur. Valley, com.			57½	56½	56	56	1075	57¼	47
Do. pref.	7	12.22	96	95½	96	97	13	98	95
Simpson, Robt., pref.	6	5.88						102	100½
Sovereign Secs. (par $5)								200	200
St. Law. Pap., c. (no par)			49	44	48	44	209	54	39¾
Do. pref.	8							108	105
Toronto Dairy								90½	90½
Toronto R. S.								1.50	1.50
United Secs., com.			47	45	47	44	257	51	43½
Do. pref.	6	5.76	104	104	104	104	67	105¼	103½
Volcanic Oil	63c		43	43	43	40½	42	43	36
Venezuelan Pete. (par $5)								7½	6¼

x Quotations for 1926. No sales recorded in 1927 to date.

MINING STOCK QUOTATIONS

Week Ending April 11

	Par Val., $	Div. Rate	Yield	High for wk.	Low for wk.	Close Apr. 11	Sales for wk.	Range, 1926 High	Low	Range, 1927 High	Low
Abana										31	20
Aconda				25	21	23	5600			42	21
Ajax										44	6½
Algonquin	1			2⅛	2½	2½	10000	6¼	1½	5¼	2
Amos										56	15
Amulet	1			1.20	94	116	130075	2.89	90	2.89	.85
Andean	1									22½	19
Apex	1							6	2¾	31½	2
Area	1			34	29½	33½	88900	1.55	.21	1.95	.29
Argonaut	1			43	28	42	103575	67	18½	58	28
Atlas	1			5½	4¾	5	48300	5	1⅝	7	2
Allied Mines				4.45	4.10	4.30	14995			5.50	2.70
Baldwin	1			2½	2½	2½	4000	6⅞	1	4¾	2¼
Bard				95	85	89	4900			1.50	.30
Barry Hollinger	1			44	36½	42	348550	1.00	.21	1.00	.36½
Beatty										½	½
Beaver	1			81	68½	78½	47150	99	51	81	59
Bellellen L.	1			5	3½	5	2600	23½	20	23½	3½
Bidgood	1			8½	7	8½	40863	9⅝	4½	9½	5
Boischatel				7	6	6	19850			27	6
Bourlamaque	1			60	50	50	1790	1.45	1.02	1.53	50
Boston Creek										1	½
Buckingham	1			6	5	6	9300	7⅝	2	9½	4¾
Bunker				76¾	76⅝	76⅝	95			77¾	77
Calartic										1.00	.94
Canadian Lorrain	1			39½	35½	35½	33600	93	57	72	35
Capital R.				18	15	18	17100	43	25	54½	15
Capital S.	1			29	24½	26	23500	48½	24	34	24
Castle Tre.	1			1.03	97	1.00	72337	1.85	.91	1.27	.95
Central Manitoba				1.25	117	1.25	16860			1.37	1.07
Chaput H.	1			8½	8	8	23300	22	3⅛	10	4⅝
Clifton	1			1¼	1¼	1¼	1006	6½	1	2	1
Coniagas	5			3.85	3.75	3.75	600	4.85	3.00	4.40	3.41
Coniaurum	5			3.00	3.00	3.00	675	4.45	3.00	3.50	2.85
Col. Kirk.	1			3	2	3	45500	6¾	2	3⅞	2
Cons. Smelt.	25	10	3.86	2.64	261	262	10550	2.65	1.77¼	2.64	2.42
Corona	1			16	14	14¾	6800	37½	20	37	11¾
C. W. Dome	1			7¾	7½	7½	37550	29½	14	19	7
Crown Res.	1			7¾	7½	7¾	4000	24⅛	8	11¾	7¼
Davidson	1							3	1½	3	1½
Destor								41	40	43	40
Dome Mines	none	1.00	11.26	8.50	8.15	8.25	5088	20.00	8.00	10.85	8.15
Don Rouyn	1			25	18	23	229000	61	25	56½	18
Duprat	1			15	13	14	51165	35½	10	34⅛	13
Dubec				47	43	47	15567			47	35
Duprey										10	10
Everett	1							12¼	3¾	5½	3
Fiske								16	12	30½	10
Fisher Que.				78	75	78	2000			78	75
Gifford											
Gladstone				27	27	27	400			29	27
Goldale	1			24	23½	24	21100	43	24	30	20
Gold Hill	1			39	37	38	55550	78½	25	54	34
Gold Reef	1							5	1	2½	1
Grover Daley				15	14½	15	35000	32	32	37	12¼
Harvey				15	15	15	65			16	15
Haultain										15	14
Hillcrest com.										65	60
Do. pref.	100	7	8.33	84	84	84	5	83	79½	87	84
Hilltop	1			14½	14½	14½	300	31¾	20	24	14
Hollinger	5	26	6.23	20.95	20.70	20.75	8328	21.00	16.65	22.95	20.00
Howey Gold				50	48	49	23500			55	42
Indian	1			7½	7½	7½	1000	14½	3¾	11	4
Inter. nic., c.	none	2.00	4.65	50½	43	50⅛	56433	46	33	50½	38
Jay Copper								1.10	73	1.26	1.04
Keeley	1	24	17.14	1.46	140	143	7600	1.91	1.39	1.46	1.37
Keora Mines	1			5	4	4½	19800	22	11	13½	4
Kirk. Hunt.	1			28	18	21½	178980	34	8½	35	14¼
Kirk Lake	1			1.10	97	108	242175	1.44	.69	1.10	.85
Lakeside	1			2⅛	1⅜	2	207600	10	1½	6	2
Lake Shore	1			18.75	18.45	18.55	7435	16.15	9.5	19.00	15.40
La Rose	1			10	8	9	5900	39	4	12	7
Laval	1			29½	27½	28½	70450	45¾	21	55	20
Lorrain	1			2	2	2	2500	15	2	3¼	2
Lorrain, T. L.	1							1.00	.30	.40	.25
Lucky Jim										21	20
Macassa	1			25	24	24½	12700	43	25	37	22
Marclay	1							35	30	42	34½
McIntyre	5	20	3.97	25.25	25.00	25.15	2190	29.75	22.70	27.50	24.50
McKinley, D.	1			13½	12	13½	12200	26	8½	17½	11
Millcrest	1			4½	4	4½	2300	6	4½	6	4
Mining Corp.	5	12½		3.65	3.40	3.54	23755	4.45	2.60	3.65	2.90
Moneta	1			9¾	9	9	3000	18	11	14	9
Montreal Rouyn	1							60	13	33	10
Newray	1			29	29	29	220	45	31	33	29
Night Hawk	1			6½	5	6	42800	17	3¼	8½	4½
Nipissing	5	12	7.72	7.75	7.55	7.75	5190	9.25	4.95	10.30	7.20
Noranda	none			21.70	21.35	21.70	12505	24.75	12.00	21.70	19.95
North American Lead				2.17	2.00	2.17	7825			2.17	1.71
Ophir	1							4	½	4⅝	1¾
Osisko L.				52	42	43	1700	1.94	1.05	1.75	.50
Pete. Lake	1			7	7	7	5500	32	14½	18	7
Pioneer	1			1.03	101	103	33010	1.22	.66	1.18	1.00
Porc. Crown	1			9	6	9	18600	12	4	11	6
Potter Doal				47	43	45½	31600			65	32
Power & Mines				1.41	1.28	1.41	10800			1.41	1.00
Premier Gold	1	32	14.99	2.17	2.10	2.15	18175	2.75	1.83	2.30	1.86
Preston	1			3½	3½	3½	1000	9⅞	4	6	3
Quebec Prov.										6.00	3.95
Ribago				25	24	24	10600			37	24
Rouyn	1			2	2	2	1900	9	1⅞	5	2
Rouyn, Que.	1							4½	1¼	4⅝	1½
Siscoe				15	15	15	500			20	12
South Keora	1			13	12	12	2300	35½	5	64½	10
Stadacona	1			18	15½	16	97100	51	40	55	13
St. Anthony	1			29	29	29	800			31	16
Sylvanite	1			4.15	4.12	4.15	1625			4.30	2.60
Teck Hughes	1	10	1.47	6.95	6.78	6.89	86020	5.55	2.64	6.95	5.37
Timiskaming	1			5½	5½	5½	850	15⅝	6	7	5
Thomp. Krist	1							3½	1	1	½
Tough Oakes	1			54½	45	52¾	10090	66	36	62½	39
Towagamac				3.60	2.85	3.50	13578	6.10	3.15	5.75	2.85
Do., Rights										19	1
United A.										35	35
Vac Gas				12½	12½	12½	3000			26	3
Vickers	1			38	35	37	4200	1.22	13	1.46	.35
Victory Silver	1			9	7½	8¾	31850	10½	3	14	4½
Vipond	1			1.47	1.39	1.46	18675	2.02	1.49	1.75	1.25
Waite Mont.										8.75	7.50
Wakenda	1							2¾	1	5	2
Wasapika	1			1½	1	1½	3000	4	1	2	1
West Tree	1			3	3	3	1000	4	2	4	3
Wettlaufer	1			2	2	2	1000	10	2	3	2
Wright Har.	1	37½	3.54	10.65	10.50	10.65	17475	10.00	7.75	11.00	9.35
Wigwam										4	3¾

Nova Scotia Trust Has Successful Fiscal Year

From Our Own Correspondent.

MONTREAL.—Net earnings of the Nova Scotia Trust Company for the year just completed by that organization, the 16th in their history, were $42,263, over 12 per cent. of the capital, according to the annual report. After providing for Dominion and provincial taxes, a liberal allowance for depreciation, a supplemental amount of $5,000 for the reserve fund and a dividend of 3½ per cent. to the shareholders, there remains a balance of $11,934 to be carried forward at credit of profit and loss account. It will also be noted that the company's surplus accounts are over 21 per cent. of the capital, giving the stock of the company a book value of 121.7, and it has no direct liabilities to the public.

The management of the company reports that it is in a sound and prosperous condition, and that this year is the best in its history, business in all departments having increased.

The Nova Scotia Trust Company is, as its name implies, a purely Nova Scotian firm, all its loans being placed within the province and all its directors and shareholders being residents of Nova Scotia.

UNLISTED SECURITIES

	Bid	Asked
Brooks Motor, 1 pref. & com.	3	4
Do., 1 pref. & 2 com.		8
Can. Machinery, com.	5	7
Can. Westinghouse, com.	187	
Chase, A. W., com.		7
Do., pref.		75
Goodyear Tire, 6% pref.	93	
Gunns, Ltd., pref. (new)	100	103
King Edward Hotel, Deb. A.	76	79
Farmers Dairy, com.	65	
King Edward Hotel, Deb. B.	68	71
Loew's Buffalo, pref.	40	50
Nat. Grocers, 1st pref.	94	96
Nat. Grocers, com.	1	4
Continental Life, 20% paid	45	50
Crown Life	150	
Empire Life	26	29
Excelsior Life, 29% paid	70	
Great West Life	420	440
Monarch Life, 10% paid	38	43
Mortgage Discount, pref.	6¼	6¾
Ontario Equitable	27	30
Re-Insurance	27	30
Security Life, 40% paid	26	31
Sun Life, 75% paid	1000	
Toronto Finance, pref.	2½	3½
Canada Life	875	
Capital Life, 20% paid	21	25
Farmers Dairy, pref.	100	105
Dom. Combing Units	24	30
Dom. Sewer Pipe	52	55

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Patron, H. M. The King

Official Opening Ontario Branch

BANQUET
Crystal Ball Room, King Edward Hotel
7 p.m., Thursday, 21st April, 1927

Opening Address by
Sir Robert Falconer K.C.M.G
President

W. TAYLOR, A.C.I.S., *Secretary.*
Room 300, 347 Bay St., Toronto.

We take pleasure in announcing that

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71 ST. PETER ST., QUEBEC.

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As Trustee for Bondholders we have for sale the following assets:

1. **Packing Plant** on Logan Avenue, Winnipeg, formerly operated by Gordon, Ironside & Fares Company, Limited.
2. **Cold Storage Warehouse** in Montreal, being 1450 Iberville Street. Well located on C.P.R. trackage. Brick and concrete construction.
3. **Cold Storage Warehouse** at Port Arthur. Brick and concrete construction with trackage facilities.
4. **Warehouse** at Kenora with trackage facilities.
5. **Crane Lake Ranch** at Crane Lake, Saskatchewan, on the main line of the C.P.R., with $50,000 worth of buildings—containing 28,000 acres more or less. Suitable for colonization.

As realization of the above assets must be effected quickly, so that the bondholders may be paid out, they will be sold at sacrifice prices, and offers are asked for on a cash basis.

There is in the Winnipeg plant above referred to a considerable quantity of packers' machinery and equipment which is also for sale in bulk or piecemeal, at low prices.

For further particulars apply to

THE STANDARD TRUSTS COMPANY
TRUSTEE
346 MAIN STREET WINNIPEG

Pulp & Paper

INTERNATIONAL'S PROFITS EXPAND WITH ITS GROWTH

In 1926 Earns $2.15 on Common — Gross Up by $1,600,000

From Our Own Correspondent.

MONTREAL. — The annual report of the International Paper Co. for the 1926 fiscal years shows earnings on the common stock of $2.15 per share, and a satisfactory liquid position with current assets at $36,124,376 and current liabilities at $7,598,135.

The gross sales during 1926 showed a substantial increase which was due in part to the expansion program of the company, some of which has already been completed. A comparison of income figures over the past two years follows:

	1926	1925
Gross sales	$60,177,333.75	$51,379,070.08
Less—Cost of sales	50,342,790.53	43,166,686.39
Gross earnings ...	9,834,543.22	8,212,383.69
Depreciation	3,756,277.76	3,404,519.14
Int. on funded debt	2,802,981.85	2,195,969.33
Income tax res. ...	....	61,593.78
	3,275,283.61	2,550,301.44
Cont. res. adj. ...	....	1,000,000.00
Net earnings	3,275,283.61	3,550,301.44
Div. on pref. stock	2,198,471.25	1,979,019.75
Div. on com. stock	750,000.00	....
	2,948,471.25	1,979,019.75
Balance	326,812.36	1,571,281.69
Paid in surplus on conv. of 6 per cent. to 7 per cent. pfd.	74,050.00	2,140,950.00
Prev. surplus	21,857,217.99	18,144,986.30
Surplus	$22,258,080.35	$21,857,217.99

During 1926 the company produced a total of 740,172 tons of paper and pulp, as compared with 579,063 tons in the preceding year, and a total of 434,288

Balance Sheet Position

In its balance sheet the company carries its fixed assets, less depreciation, tons in 1924.
its investments and its securities, and cash held in escrow for new projects at a total of $182,567,347. This, with current assets of $36,124,376, plus other assets of $11,917,381, make total assets of $230,609,105.

In the liabilities, the total funded debt of the company and its wholly-owned subsidiaries amounts to $122,725,600. Reserves are carried at $8,707,289, and the preferred stock issues at $31,820,000. The 500,000 shares of common stock outstanding are carried at $37,500,000, and surplus is shown at $22,248,080.

In his remarks to the shareholders, Archibald R. Graustein, the president, said in part:

"The building of the Gatineau mill and the enlargement of the Three Rivers mill, involving as they do an increase of over 900 tons a day in the Canadian newsprint output of the company, mark the completion of the first major step in the company's programme of expansion of its Canadian newsprint capacity. The results of this programme to date have been very satisfactory, and the Three Rivers and Gatineau mills now form the backbone of the company's newsprint business. It is the conviction of the board that the company's programme in this respect should be continued as from time to time market conditions warrant—at the present time there is no occasion for the immediate provision of further newsprint capacity.

"Overproduction, or rather excess capacity for newsprint production, will result in newsprint mills being run at a considerably lower average percentage of capacity in 1927 than in 1926. The contract price, however, remains the same as in 1926, and it is the hope of the board that in 1927 the development of your properties will more than offset any adverse effect upon earnings of the inability to run full."

Lake St. John Power Will Increase Its Activities

From Our Own Correspondent.

MONTREAL.—The Lake St. John Power and Paper Company has 900 men employed on the construction of its plant. This number will be increased by 300 on May 1, so that the work may be expedited and the mill producing paper by the end of the year. The supply of pulpwood for the mill has been arranged, and the past winter's cut has been satisfactorily completed. The railway extension to the mill of 27 miles from St. Felicen is being carried out by the Canadian National Railway. The bridge work has been under construction for some time, and tenders are now being called for the grading. It is expected that the railway extension to the mill will be completed by July 31 next; in the meantime, materials are being transported to the property by water.

St. Maurice Valley Stock Reflects Annual Report

From Our Own Correspondent.

MONTREAL.—The St. Maurice Valley Corporation shares have strengthened considerably on the Montreal Curb Market since the publication of the company's first annual report. No doubt the greater strength in the shares is attributable to the satisfactory showing which was made in the initial year of operation. While there is an undoubted hesitancy in the newsprint market, which undoubtedly has a very direct bearing on the corporation's earnings, yet the addition of two new 100-ton newsprint machines in the Belgo-Canadian plant at the close of 1926 should have a favorable effect on the company's earning power during the current year. The present capacity of the newsprint mills of the St. Maurice Valley Corporation is well in excess of 900 tons of newsprint daily. In addition, it has a substantial output of sulphate pulp and some surplus of sulphite.

Manitoba Paper Expands

MONTREAL.—With the awarding of further timber limits to the Manitoba Paper Company, the expenditure of $6,500,000 already decided on will be increased by $1,500,000, making a total of $8,000,000 which the company will use in its development programme.

New Brunswick is Busy Developing Power Resources

By PROF. W. C. KEIRSTEAD,
Head of Department of Political Economy, University of New Brunswick.

FREDERICTON.—Announcements recently appeared that the International Pulp and Paper Company had reached an agreement with the Town of Dalhousie, N.B., to erect a paper mill at that place. It is understood that the company is to have exemption from taxation on its manufacturing plant for fifteen years and thereafter to be taxed on a valuation of $250,000 for the next five years; and on $350,000 for the remaining portion of fifty years. All buildings of the company not used for manufacturing purposes are taxable on ordinary assessment. For purposes of school assessment the valuation shall be $200,000 for the first five years; $300,000 for the next five years; $350,000 for the following ten years and $400,000 for the remainder of a fifty year period. A plant is to be erected at once that will produce 250 tons of newsprint daily and it is expected that later it will be enlarged to an output of 500 tons a day.

It has been rumored that the Fraser Companies would build a newsprint mill at Campbellton, but it is now stated unofficially that this corporation may arrange for the International Pulp and Paper Company to make use of the power allocated to it. In this case one large mill will make use of the entire power of the falls available for such use.

St. John Work Progresses

This newsprint mill is being erected under the terms of the legislation that enables the St. John River Power Company, a subsidiary of the International Pulp and Paper Company to develop the power at Grand Falls. The development now in progress calls for the initial installation of 60,000 horsepower in three units of 20,000 horsepower each. It involves the erection of a dam above the falls and the construction of a large tunnel 2,700 feet in length and twenty-four feet in diameter. This tunnel passes through the rock under the town of Grand Falls from the upper to the lower basin and there is a power house on the lower basin.

This newsprint mill is being erected under the terms of the legislation rights of the State of Maine and of the Province of Quebec. This interstate and international character of the development has complicated the problem somewhat but the International Company have rights in all these states. Speaking in the legislature a few days ago, Hon. W. E. Riley, chairman of the New Brunswick Power Commission, stated that the development was proceeding in a satisfactory manner and would be completed before the time specified in the contract. The substructure of the generating station of the power house was already complete, the heading of the main tunnel was more than two-thirds complete and the main dam across the St. John River was about one-half complete.

The developing company has a signed contract with the Frasers Ltd. to deliver to the latter, beginning with July, 1928, an amount of 13,000 continuous horsepower and 7,000 of secondary horse power. The New Brunswick Power Company under the legislation, may elect to purchase 6,000 horse power of 70 per cent. load factor or about 4,000 continuous horsepower or it may take two-thirds of this amount. The remaining power generated is sold to the International Pulp and Paper Company. No power can be exported from the province without the consent of the governor-in-council except such as is allocated to Maine by the International Waterways Commission on account of the storage facilities used in that state.

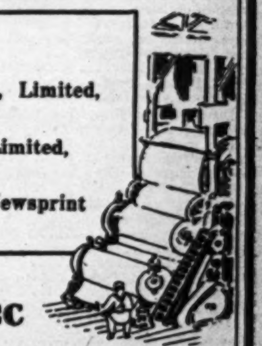
Use Most for Paper Mills

The amount placed at the disposal of the New Brunswick Power Commission is too small to permit that board to build transmission lines of any great length. Recently an investigation was made with a view of securing electric power for the city of Fredericton. It was found that the New Brunswick Power Commission could not transmit power from the Falls under this contract at a price to make it advisable for the city to use it. The total supply of power at the Falls is not large and can easily be used in not more than two good sized pulp and paper factories. Under present conditions of the lumber industry of the province the use of this power in such mills is undoubtedly its most profitable use.

The Musquash power site was developed by the New Brunswick Power Commission and is being operated by it to give power to the city of St. John and the southern parts of the province. An investigation is now being made with a view to the development of the falls or rapids in the river St. John near Meductic. Although the report of the investigating committee has not been submitted to the legislature yet it is believed that a unit of 30,000 horsepower can be developed here at a cost that will permit the use of the power for industry and heating purposes. Probably the city of Fredericton will profit from this development.

With the exception of the Passamaquoddy Bay and perhaps the tides in the Petitcodiac River (and which at present are but possibilities) the Grand Falls is the one first class water power of the province. Yet cheap electric power is urgently needed for the manufacturing of our lumber products. The long lumber industry of the province is no longer profitable. We have reached a stage in the industry where we must cease exploiting our forests and manufacture our products to maintain the prosperity of the industries dependent upon our forests. At a banquet given by the board of trade in the city of St. John to the members of the New Brunswick legislature a few days ago, Premier Baxter spoke of the depression of the lumber industry in the eastern part of the province and intimated that other parts of the province must assist this section to make the transition from the exploitive to the manufacturing form of production. Evidently cheap power and perhaps favorable stumpage rates were in his mind. The economical development of every water power in the province that can furnish power to our manufacturers of the lumber output would seem the urgent need of the industry. Whatever may be the actual value of the concessions granted in the Duncan report it is quite evident that its favorable reception is having a desirable psychological reaction throughout the province. There is a feeling of encouragement and a realization that the time has come for intelligent and united action in developing the natural resources of the province. These resources are not vast but they are not to be despised. The application of science, energy, intelligence and capital in their development is the supreme need of the hour.

St. Maurice Valley Corporation



Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—195,000 Tons Newsprint
Head Office: MONTREAL—QUEBEC

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THESE famous cottons stand up better to strenuous wear and frequent washings. And they retain their fineness of texture, their lasting beauty of appearance much longer.
The new Wabasso Silks are attractive fabrics made from finest Combed Yarns and Celanese. They are as pretty as the Rainbow.
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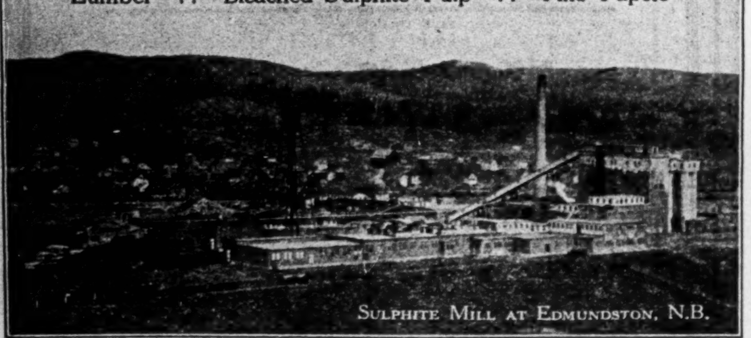

Sulphite Mill at Edmundston, N.B.

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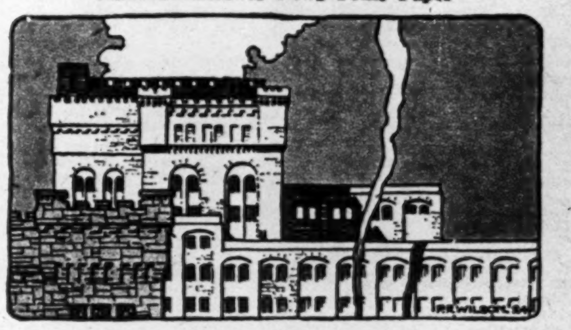
Pulp and Paper Mills *Power Developments*

The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper



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Mills at
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Largest Manufacturers of Paperboard in Canada
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Automobile and Piano Paper
MANUFACTURERS FINANCE CORPORATION LIMITED
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AUTHORIZED CAPITAL - $6,500,000

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Static is sometimes unavoidable, but the other—never. Use Superfine Linen Record, and the first time you affix your signature on it you'll be impressed with its very evident high quality.

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Newsprint and Sulphite Pulp
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Quebec Pulp and Paper Mills
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Executive Office: CHICOUTIMI, P.Q.
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SAWYER-MASSEY SALE EXPECTED TO BE RATIFIED

Meeting at Hamilton April 19 — Look to Increased Business

Judging by the number of proxies that have been returned made out in favor of directors, it is expected that the sale of Sawyer-Massey Co. to a syndicate known as the Grosvenor Co. will be ratified at the meeting of shareholders to be held in Hamilton on April 19.

Sawyer-Massev Co. will be reorganized under the same name, except the hyphen will be omitted. The new company will assume all the obligations and assets of the old company, put in $300,000 cash in the form of a first-mortgage bond issue, and endeavor to develop the old business. Among the obligations is a bank loan of nearly $2,000,000. Current assets, principally in the form of notes receivable on account of threshing machines, and other agricultural machinery sold to farmers and dealers on time, amount to more than $1,000,000. The plant at Hamilton and the branch warehouses in Western cities are in good condition.

The new company, it is said, will endeavor to develop the thresher business and to increase the business in road machinery. It is anticipated that a reasonable profit is possible on a gross volume of $1,250,000 annually.

The syndicate is organizing a company with 50,000 shares of common stock of no-par value. The purchase price of the old company is to be 16,500 shares of this stock. It will be left to the old company to determine how these shares will be apportioned among the shareholders. It is assumed, from the number issued, that the shareholders will get one new share of common for each old share of preferred—which is in arrears from 1914—and one share of new common for each ten shares of old common.

Announcement of the plans for reorganizing this company was first made in The Financial Post and resulted in rapid appreciation in the old preferred from a nominal bid on the stock exchange of $5 to $15. There was considerable trading at that figure.

"STEAMERS" WILL BEGIN SEASON AUSPICIOUSLY

Cargoes Now Arranged and Season Opens Earlier Than in 1926

From Our Own Correspondent.

MONTREAL.—What the Canada Steamship Lines lost at the close of the 1926 season by unsatisfactory weather conditions will probably be made up through the earlier opening of navigation this spring. Navigation is expected to open at least two or three weeks earlier than in 1926. The company is in a strong financial position and its equipment is adequate to meet traffic demands and thus the prospects are bright for a satisfactory beginning to the company's operating year.

Already there has accumulated a large amount of freight traffic at many of the company's ports of call awaiting the opening of navigation; at the head of the lakes this includes grain and iron ore. The general improvement in business throughout the Dominion indicates that the company's ships, numbering close to 120, will be more extensively employed during the current season.

Fleet is Up-to-date

Last year the Canada Steamship Lines placed in commission two large package freighters, and this season it will place two more vessels of a similar type in operation. Its fleets are being kept up to a high standard of efficiency, and all the obsolete vessels have been sold.

Some of the recent buying of preferred shares is naturally based on the expectation of increased earnings during the coming season, which would place the shares on a stronger basis. Earnings in 196 were a little above those estimated by the maangement at the time the adjustment was made in its capital structure to liquidate the arrears of preferred dividends. There seems every reason to believe that during the coming season the volume of tourist traffic will be much greater than in 1926, when the weather materially reduced earnings from this branch of the company's operation. With the satisfactory contracts for freight which have already been made, and with every prospect for increased freight business during this year, earnings applicable to the common stock should increase materially.

But No Dividends Yet

But there seems no possibility of any consideration being given to payment of dividends on the common stock during 1927. Probably it will require at least two or three years of satisfactory earnings to bring the question of the payment of common dividend before the management. The 1926 balance sheet issued by "Steamers" indicates clearly that the conservative and sane policies maintained over the past few years will be continued in the future. The last balance sheet showed that the Canada Steamship Lines has finally been dragged out of the unsatisfactory position which it occupied following the war, and has been firmly placed upon a sound financial foundation. For the future, then, there is every reason to believe that the policies which have brought the company to the position which it now enjoys will be continued.

British American Bank to Change Name

British American Bank, San Francisco, controlled by Bank of Montreal, has filed an application in the Superior Court in San Francisco for permission to change its name to Bank of Montreal (S. F.). The present name, states the bank's application, is a misnomer, as the bank is a California corporation, organized to do business in San Francisco and is doing business originating between Canada and California.

PERFECTION GLASS INITIAL REPORT IS SATISFACTORY

New Company's Earnings Twice Amount of Dividend Payments

From Our Own Correspondent.

MONTREAL.—The first annual report of the Perfection Glass Company which covered the initial eight months' period of operations up to December 31, 1926, shows that this new company has got off to a successful start.

The income account figures for the eight months ending December 31, 1926, and the working capital position figures follow:

Sales, less allowance	$182,254
Cost of sales	86,526
Balance	95,727
Misc. income	20
Gross sales profit	95,747
Factory expense	11,799
Balance	83,948
General expenses	37,063
Balance	46,885
Depreciation	5,663
Net profit	41,221
Dividend paid	21,492
P. & L. balance	19,729
Working Capital Position	
Current assets	$202,943
Current liabilities	51,277
Net working capital	$151,666

Balance Sheet Position

The foregoing figures reveal the satisfactory relation between current assets and liabilities. On the balance sheet the cost of the company's property and its patents is carried at $646,079, as compared with the capitalization of $575,000, of which $75,000 is a mortgage and the remainder represents the capital stock. The total assets amount to $855,637, and the profit and loss balance, plus a capital surplus obtained from the shares sold at a premium amount to over $223,000.

President's Remarks

In his remarks to the shareholders, James A. Watt, the president, said in part:

"The period of operation indicated by the statement submitted is eight months, while, as a matter of fact, operations, to any great extent, did not start until well on in June, which brings the actual operating period to less than seven months. During this period considerable expense was incurred in demonstrating the company's products to architects, engineers, contractors, and automobile manufacturers. This and other features, such as the interference in raising capital, the building of an organization, equipping of a new plant, the training of help in a new industry, and last, but not least, limited working capital, did not lend to efficiency and, consequently, are reflected in the statement submitted.

"During the early part of 1927 a branch factory was opened in Windsor, Ontario. This plant is already in operation, and the volume of business that is being done is more than gratifying in that it far exceeds the expectations of your management.

"With these two factories in operation, the company's income has been greatly increased, and the indications are that the showing of profits from January 1 up to the present time are considerably in advance of the organization and initial operating period covered by the statement submitted. If the present conditions continue, it would seem reasonable to expect a further distribution of profits during the year 1927."

ACADIA SUGAR'S PROFITS LARGER THAN ESTIMATED

Report Covers Six Months Period — Earnings Over Twice Interest Charges

From Our Own Correspondent.

MONTREAL.—The profits shown by Acadia Sugar Refining Company for the six months period ending December 31, 1926, were materially in excess of the estimates made when the company was re-financed towards the middle of 1926.

The annual report, covering the initial six months' period of the present company's operation, shows the following income account and working capital position figures:

Oper. profit, 6 months	$ 394,055
Depreciation	173,848
Balance	220,207
Bond interest	95,733
Surplus for 6 months	$ 124,474
Working Capital	
Current assets	$1,564,134
Current liabilities	809,256
Net working capital	$ 754,878

In the balance sheet the total assets of the company are shown at $7,357,578, of which $5,416,958 is carried in fixed assets, trade marks, and goodwill account.

Report of Directors

In the liabilities there is outstanding $2,500,00 in first mortgage bonds, $750,000 in general mortgage bonds and $1,500,000 in preferred shares. The common shares are carried at $1,500,000 also.

The report of the directors of the company says in part:

"Your directors consider it inadvisable to recommend payment of a dividend, though earned, on preference shares at the present time, but it is hoped that upon completion of the company's first year's operation on June 13, conditions will warrant the payment of dividends on preference stock.

"The company was incorporated in June, 1926, under the Nova Scotia Companies' Act, to carry on the business of sugar refining, etc., and in July 1, 1926, took over as a going concern the assets and liabilities of the Acadia Sugar Refining Company, Limited, incorporated in 1893 under the laws of Great Britain.

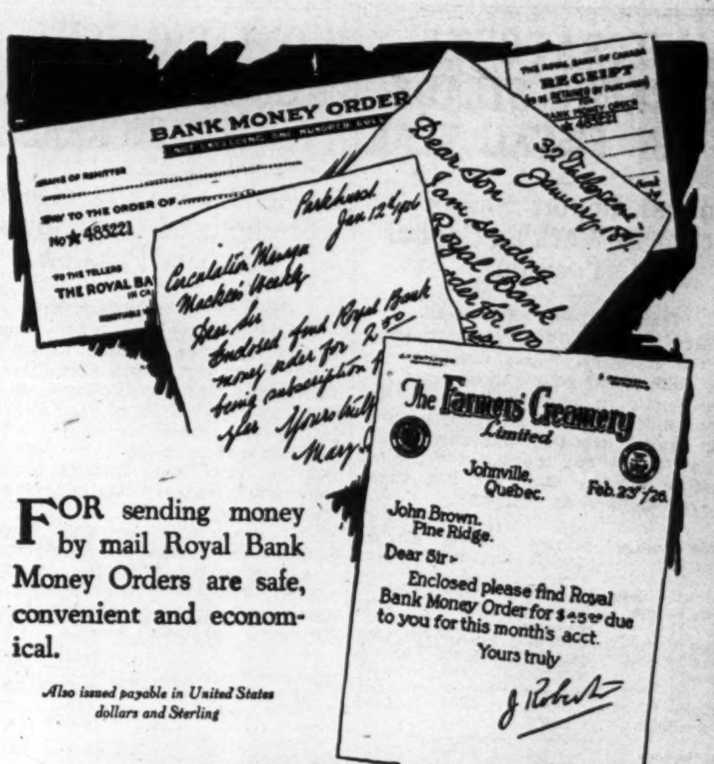
"The efficiency of the refinery has been fully maintained."

New Markets for Canadian Wool Opened Up in Europe

Wool values are down approximately 20 per cent., as compared with a year ago and 36 per cent. below those which prevailed a year ago, according to G. E. O'Brien, general manager of the Canadian Co-operative Wool Growers' Association. He further stated that dealers as well as growers had suffered from these declining values, which were due to a falling off in consumption following changes in style of women's clothing, and other reasons. Values had been falling almost steadily since the last shearing, which made it impossible to sell rapidly, as dealers were afraid to load up at any one time. This explains why the Co-operative has a carry-over of little more than a million pounds at present, and also why all the wool could not be sold at the higher prices which ruled in the spring and early summer. While the Canadian market was absorbing about the usual quantity of domestic wool, the Co-operative had been successful in developing much new business outside, particularly with England and Europe.

The 1926 Canadian clip was placed at 11,692,000 pounds, an increase of about 10 per cent. over the previous season. Of this, it is estimated 3,000,000 pounds were used on the farm—principally in Quebec and certain new Canadian homes of the west—and of the balance the Co-operative handled 50 per cent. Wool was received from every province.

Wool growers need have no fears regarding the future. Several prominent wool authorities in the United States maintain that the cycle of low prices has been completed and that, while production was increasing, all surplus stocks were being rapidly cleared up. Indications point to a very material improvement in consumption.



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G623

What's Wrong With Shorthand?

Executives Say:—

"I'm forced to cut dictation short."

"If she could only take it as fast as I think."

"She can't help me with other things."

"If I could only dictate while it's fresh in my mind."

"Pshaw! she's gone. I'll have to wait till to-morrow."

"I had all this clear in my mind last night."

That's enough! I'll send in the coupon below on general principles.

Wm. Hy. Scott partner of Livingston & Scott, of Toronto, Canada's leading Sportswear Specialists, who says that The Dictaphone **accelerates** correspondence as much as Shorthand **retards** it.

Dual responsibilities don't trouble this manufacturer of Sportswear—He depends on The Dictaphone to carry on!

Speed in handling correspondence is as essential as in "getting production"

What's Wrong With Shorthand?

Secretaries Say:—

"Those awful waits while he chats over the phone."
"Hours wasted while he's in conference."
"No one else can read my notes."
"I'm nothing but a bell-hop."
"These endless notes make me dizzy."
"I'm sure he said that, but . . ."
"Yes, I do mind staying late."
"Cold notes are maddening."
"No time for real secretarial work."

That's enough! I'll show him this trial offer right now.

Gladys M. Dixon,
Mr. Scott's secretary, whose experience is that The Dictaphone "eliminates mental worry and nerve strain, besides increasing the secretary's economic value to herself and her employer"

Executives who find the following details interesting will find our coupon offer (below) doubly so—

"The Dictaphone speeds up the production of individualized style ideas," says Wm. Hy. Scott, who personally supervises the production of the Livingston & Scott's line of exclusive Ladies' Sportswear. "Sport styles are constantly changing — new models being produced daily. And my correspondence is just as continuous. To keep pace, I *accelerate* with The Dictaphone, which does indeed 'double my ability to get things done!'

"Instead of pushing the button and waiting, I pick up my Dictaphone speaking tube, and give my instructions, letters and notes of ideas to my secretary *immediately*—while they're fresh in mind! Then, too, with The Dictaphone I can give due forethought to my dictation, without feeling that I am keeping her waiting—delaying her work!"

Miss Gladys M. Dixon, Mr. Scott's secretary, is no less enthusiastic. Like most Dictaphone secretaries, she emphasizes the *saving of time and nerve-energy*—also the prevention of "endless interruptions during dictation, not to mention reading back each time so the dictator can resume his train of thought."

Accuracy is another Dictaphone advantage which Miss Dixon stresses, permitting the dictator to "give punctuation marks, repeat figures and spell unusual words with the assurance that they will be accurately transcribed."

Summing up, she concludes with, "I now have time to attend to many details that Mr. Scott himself formerly handled, besides looking after the pay-rolls, cost records and other important matters—*with no more effort* than I used in the old shorthand days when I had only minor duties and our correspondence was 75% less!"

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T. R. CRAYSTON, General Manager

☐ I want to read what leading executives or secretaries say about increasing their ability with The Dictaphone. Mail me FREE copy of your booklet, "What's Wrong With Shorthand?"

☐ I am a Secretary ☐Executive
[Check one]

☐ Please notify your nearest office to let me try a New Model 10 without obligation.

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ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS

AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.

MONTREAL TORONTO WINNIPEG VANCOUVER

Public Utilities

For further public utility news see pages 21 and 23.

MANITOBA POWER EARNINGS STEADY IN FISCAL YEAR

Annual Report Shows Decline in Working Capital Position

From Our Own Correspondent.

MONTREAL.—The annual report of the Manitoba Power Company for the 1926 fiscal year shows some improvement in earnings and an increased deficit in the company's working capital account. The income account figures and the working capital position figures over the last three years compare as follows:

	1926	1925	1924
Gross earnings	$673,563	$666,053	$671,105
Oper. exp.	122,274	118,454	102,627
Net oper. rev.	551,289	547,599	568,478
Misc. income	12,548	1,088	1,491
Gross profits	563,837	548,687	569,969
Bond interest	529,008	538,825	533,492
Taxes	19,921	7,099	24,827
Balance	14,908	2,763	11,650
Depreciation	14,000	......	......
Net income	908	2,763	11,650
Adjusted surp.	21,782	18,819	10,827
P. & L. balance	22,690	21,582	22,477
Working apital			
	1926	1925	1924
Curr. assets	$455,062	$ 72,639	$210,677
Curr. liabs.	714,797	254,233	329,133
Working capital	*259,735	*181,594	*118,456

*Debit balance.

The past year has been one of expansion by the company and, consequently, its fixed assets increased by almost $1,200,000. Among the assets there appears for the first time the discount and expenses in connection with the recent bond issue amounting to $1,445,834. The gradual elimination of this item from the assets will be continued over a period of years.

In the liabilities the bonded debt now stands at $10,000,000, an increase of $2,500,000 from the close of 1925. The reserve accounts show a small increase. Total assets have increased from $9,340,828 last year to $12,319,833 at the close of 1926.

Remarks of President

In the report to the shareholders, A. W. McLimont, the president, said in part as follows:

"It is necessary that we install additional generating capacity and another 28,000 horsepower generating unit is now on order, which it is expected will be producing power during the latter part of this coming summer. The Great Falls plant will then consist of four 28,000 horsepower generators—a total of 112,000 horsepower, out of the ultimate plant capacity of 168,000 horsepower.

"During the late summer of 1926 a very important contract was entered into between this company and the city of Winnipeg, whereby the Winnipeg Hydro Electric System for a period of from nine to eleven years will purchase up to a maximum of 30,000 horsepower from Manitoba Power Company, Limited, commencing September 1, 1928.

"To carry out this contract, as well as to supply the increasing power requirements of Winnipeg Electric Company, it will be necessary for Manitoba Power Company during 1927 to build a two-circuit steel tower 110,000-volt transmission line into Winnipeg to be carried over a 200-foot right-of-way, which work will be put under way in the spring as soon as weather conditions permit.

"Up to the end of the year 1926, Manitoba Power Company had as its only large customer the Winnipeg Electric Company. As a result, operating conditions for 1926 remained practically the same as during the previous year. However, with the additional load which will be delivered during 1927 to the Manitoba Paper Company, and revenue from power to be derived from other sources, the financial showing of this company will be materially improved."

Shawinigan's Inherent Strength Causes Rise

From Our Own Correspondent.

MONTREAL.—Many factors have combined to push the shares of the Shawinigan Water and Power Company up to record levels. Perhaps the fundamental reason for the rise lies in the general market buoyancy. With stock market prices rising practically all around, it was but natural that such a strong stock, and a stock with such potentialities as Shawinigan, should make spectacular gains.

Then, again, the expectation that the Sifton interests will be unable to get their fingers into the Carrillon power pie indicates that Shawinigan, together with Montreal "Power," will be able to develop this site. Work on this project, if the company obtains the right to develop Carrillon, as it probably will, should start this year. By the end of the year the company will be obtaining 100,000 more horsepower from the Duke-Price plant on the Saguenay.

The increased earnings anticipated from these expansions, together with the increased earnings which the company's subsidiaries, such as the Quebec Power Company, have already achieved, give every indication that the Shawinigan Water and Power Company is on the eve of still greater achievements than have marked its past record.

Tram Power Exchange is One New for Twenty Old

From Our Own Correspondent.

MONTREAL. — The old Montreal Tramways and Power Company has virtually passed out of existence. For every 20 shares in the old company the shareholders will receive one share each of the Consolidated Securities, Limited, the new company, established to take over the assets of the Montreal Tramways and Power Company.

Shareholders in the old company must claim their shares from the liquidator, otherwise the shares unclaimed will be sold and the net proceeds of the sale will be distributed pro rata to the shareholders who filed no claim.

Fractional securities of the Consolidated Securities will not be issued, but all the fractional shares in the new company will be sold by the liquidator, and the owners of these fractions will receive a distribution of the net proceeds of the sale.

With the elimination of the old company, the United Securities, which controls the Consolidated Securities, and through it the Montreal Tramways Company, will be enabled to proceed with its financial plans; it is anticipated that the United Securities will shortly sell an issue of collateral trust bonds.

N. ONTARIO LIGHT GROSS OFF BUT NET INCREASED

Report Reveals Greater Strength of Company's Financial Position

From Our Own Correspondent.

MONTREAL.—The annual report of the Northern Ontario Light and Power Company, now a subsidiary of the Canada Northern Power Corporation, for the 1926 fiscal year shows a decline in gross earnings which, coupled with a more than portional drop in operating expenses brought about an increase in the net revenue for the year.

The company's working capital position underwent an improvement which is revealed in the following figures, comparing the income account and working capital figures during the past two years:

	1926	1925
Gross earnings	1,250,065	1,416,657
Power purchased	15,247	52,557
Operating	249,942	439,963
Taxes	75,543	82,907
Net revenue	909,333	841,229
Bad debts	......	1,460
Interest	350,277	301,777
Net profits	559,056	537,991
Pref. dividends	142,968	142,968
Com. dividends	181,288	90,644
Depreciation	234,000	200,000
Balance	800	104,379
P. & L. balance	579,386	475,007
Surplus account	580,186	579,386
Working Capital		
	1926	1925
Curr. assets	$1,290,884	$1,026,044
Curr. liabs.	410,879	362,041
Working capital	880,005	664,003

Changes in Balance Sheet

There were many changes in the balance sheet. Plant and bond discount account has been reduced by almost $1 00,000. Cash on hand has been substantially increased and investment account of $100,000 makes its appearance for the first time on the balance sheet. Shares in and loans to other companies and Canadian National Railway bonds, which last year totaled $254,765, have been eliminated from the assets. A new asset of $183,346 makes its appearance in the shape of funds on hand for the redemption of bonds. In the liabilities the funded debt has been reduced by more than $100,000.

The President's Remarks

In his remarks to the shareholders, A. J. Nesbitt, the president, said in part:

"During the year your company has considerably increased its field of operation, and has done much to improve its service. A considerable part of the new line from Cobalt to Kirkland has been equipped with larger conductors with a view of assuring a better service to the Kirkland Lake district, while reducing power loss in transmission. All of the properties, plants and equipment, have been maintained in excellent operating condition.

"The territory served by your company has been exceptionally favored as to business conditions during 1926, and the company has profited by the increased demand resulting from intensive mining development and influx of population."

BOARD OF TRADE TO BLOCK WATER DEAL

Issues Fiat to Hold Up Sale in Which Senator Webster is Associated

From Our Own Correspondent.

MONTREAL.—The Montreal Board of Trade has filed a fiat against the city of Montreal in the superior court in an attempt to block the sale of Montreal Water and Power Company to the city.

In the Board of Trade's declaration it is alleged that the city council's action in endeavoring to purchase the property at a price of $14,000,000 is illegal, ultra vires and void. Among the reasons upon which the Board of Trade bases these claims are:

That the notice of the meeting of the city council did not specify or make any reference to the proposed purchase of the water and power company; that the purchase of the property was not on the order paper of the day as required by law and by the rules of the city council, and that a draft at the contract to be executed was not submitted to the council.

Would Be Very Unjust

The Board of Trade claims that substantial injustice would be done to the ratepayers of Montreal if the purchase is permitted to go through and the board points out that the city has had the right to purchase or expropriate the property at any time during the last 35 years.

It is plain that the city was in an excellent position to make a good bargain first because the bond issue of the company amounting to more than $5,500,000 became due in 1932, while the company's franchises in the city all expire in fourteen years, and some of them in a shorter period. There was moreover a serious dispute pending between the city and the company as to the adjustment of taxes and other claims. This also placed the city in an excellent position in which to make a good bargain. It is further claimed that, while a report on the property was made by the city engineers, yet the executive committee so limited the scope of, and the time for, making the report, that it was not based upon sufficient information and made no reference to the value of the physical condition of the property. Moreover, it is plain that the executive committee itself did not give proper consideration to the proposed sale, and, by inordinate haste, prevented the permanent city officials or the city council from giving the consideration such a deal required.

Production of natural gasoline in the Turner Valley from four wells on separators now amounts to approximately 850 barrels a day. The market price of this product is $4 per barrel, so that the present capacity represents $3,400 a day.

New Issue

$1,300,000

Arnold Brothers, Limited

Twenty-Year First Mortgage 6% Sinking Fund Gold Bonds

(Series A)

To be dated April 1, 1927 — To mature April 1, 1947

Principal and semi-annual interest (April 1st and October 1st) payable at the holder's option in Canadian gold coin at The Royal Bank of Canada in Toronto, Montreal, Winnipeg, Halifax, St. John or Vancouver, or in United States gold coin at the Agency of The Royal Bank of Canada in New York, or in gold coin of the Kingdom of Great Britain at the Agency of The Royal Bank of Canada in London, England, at the fixed rate of $4.86 2/3 to the £1 Sterling. Coupon Bonds in denominations of $1,000 and $500, registerable as to principal only, or fully registered Bonds in denominations of $1,000 or any authorized multiple thereof. Coupon Bonds and fully registered Bonds in denomination of $1,000 interchangeable. Bonds may be redeemed as a whole or in part, on any interest date, at the option of the Company, on sixty days' notice at the following prices and accrued interest: at 105 if redeemed on or before April 1, 1932; thereafter at 104½ if redeemed on or before April 1, 1937; thereafter at 104 if redeemed on or before April 1, 1942, and thereafter at 103½. Montreal Trust Company, Trustee.

A full Sinking Fund for the exclusive retirement of Bonds of Series A will be provided by the Trust Deed. Under its terms $20,000 will be provided annually for the first five years and $40,000 annually for the next fifteen years, together with annual amounts equal to interest on all Bonds redeemed.

Legal Investment for Life Insurance Companies, under the Insurance Act, 1917, Canada.

For detailed information, we refer to the prospectus containing letter from Mr. T. A. McAuley, President of the Company, which has been summarized in part as follows:

The Company

Arnold Brothers, Limited, has acquired the businesses of a predecessor Company of the same name and of A. Martin, Limited. The new company will operate 74 retail stores, of which 48 are situated in Toronto, 14 in Montreal and the remainder in other important retailing centres in Ontario.

Earnings

For the seven years and three months ended December 31, 1926, annual net earnings of A. Martin, Limited, and its predecessor, as certified by Messrs. Price, Waterhouse & Company, Chartered Accountants, Toronto, available for bond interest and depreciation, averaged $161,961. These earnings are after operating expenses, including maintenance and repairs.

For the year ended December 31, 1926, combined net earnings of A. Martin, Limited, and Arnold Brothers, Limited, available for bond interest and depreciation, were—

$170,561—equal to more than twice annual interest on First Mortgage Bonds presently to be issued.

The above earnings of A. Martin, Limited, are as certified by Messrs. Price, Waterhouse & Company, and earnings of Arnold Brothers, Limited, are based upon average earnings for the period October 5, 1925 to January 31, 1927, as certified by Messrs. Thorne, Mulholland, Howson & McPherson, Chartered Accountants, Toronto.

For two months ended February 28, 1927, combined earnings of A. Martin, Limited, and Arnold Brothers, Limited, available for bond interest and depreciation, are certified by Messrs. Price, Waterhouse & Company and Messrs. Thorne, Mulholland, Howson & McPherson, respectively, to have been not less than $38,000.

Assets

Total fixed assets, based upon appraisals as of January 31, 1927, and March 1, 1927, including land, buildings, equipment and leases, are certified by Messrs. Thorne, Mulholland, Howson & McPherson to have a depreciated value of $2,400,633. These fixed assets include 85 individual properties, of which 50 are owned freehold and 35 are leased.

Net current assets, upon completion of present financing, as certified by Messrs. Thorne, Mulholland, Howson & McPherson, will be $525,991.

Total fixed and net current assets, therefore, will be $2,926,624, equal to more than 2¼ times the par value of First Mortgage Bonds presently to be issued.

Bond Issue

The total principal amount of Bonds which are issuable under the Trust Deed for the purposes, and under the restrictions therein provided, is $2,500,000, of which $1,300,000 are authorized for immediate issue. Additional Bonds can be issued only under the conservative restriction of the Trust Deed.

We offer these Bonds for delivery if, as and when issued and received by us and subject to the approval of our Counsel, at,

Price: 99 and interest, yielding over 6.08%

Wood, Gundy & Company

Limited

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The information contained in this advertisement is based upon statements and statistics on which we have relied in the purchase of these Bonds. We do not guarantee, but believe the statements herein made to be true.

Montreal Tramways Stock Gains in Public Favor

From Our Own Correspondent.

MONTREAL.—The rise in the shares of the Montreal Tramways Company to a new high point of 195 seems to have been due to no special developments in the company, but simply to the fact that a more general realization of the investment merits of this issue are becoming known to the public. The Montreal Tramways Company is controlled by Shawinigan and Montreal "Power" and thus operates under excellent management. The growth of Montreal will necessitate further expansion to the property, which will tend to increase earnings, coupled with which is the fact that this year the company will submit to the city of Montreal plans for a rapid transit service. Then, again, earnings have been steadily increasing since the company was acquired by its present owners a few years ago.

Everything seems to indicate that from time to time the shareholders will be offered valuable rights. Thus, today, the stock is being purchased, not with the idea of a market appreciation, but with the idea of obtaining a fair yield, coupled with the possibility of distribution of valuable rights in the future. The idea seems to be gaining ground that the Montreal Tramways is much in the same position as the Bell Telephone Company, and that the company will be allowed always to earn a fair return on its investment.

Cement Maintains Strength

MONTREAL.—The Canada Cement Company's shares have maintained their recent gain. The stock is closely held, and it is understood that there is only a small floating supply available for investors.

While nothing new is heard regarding the competitive situation which exists in the Province of Quebec with the National Cement Company, yet investors see a large building programme ahead in this country, with numerous construction projects planned and contemplated. These are the factors which have brought about the rise in the shares.

Public Utility Earnings

Winnipeg Electric

Month of Feb.—	1927	1926
Gross earnings	$ 504,846	$ 463,488
Operating expenses..	351,478	315,806
Net earnings	$ 153,368	$ 147,682
Two months end. Feb.—		
Gross earnings	$1,054,585	$ 969,612
Operating expenses ..	719,211	654,059
Net earnings	$ 335,374	$ 315,552

Northwestern Utilities' Earnings Satisfactory

From Our Own Correspondent.

MONTREAL.—During its 1926 year it is understood that the North Western Utilities, after all charges of every kind, including large appropriations for both depreciation and depletion, earned its bond interest by approximately one and one-third times the interest requirements.

The North Western Utilities is a subsidiary of the International Utilities Corporation, which has wide interests in western Canada and the United States. The investment interest in the Canadian subsidiary lies in its bond issue. The company's expansion is being continued.

TAKE DOMINION LICENSE

One of the largest mutual fire insurance companies in Quebec is about to leave the provincial fold and join the ranks of Dominion licensed stock companies. The Commerce Mutual Fire Insurance Co. (perhaps better known as "la Mutuelle du Commerce, Compagnie d'assurance contre le feu") which has been incorporated in Quebec since 1908, has applied for a Dominion charter. The head office of the company is at St. Hyacinthe, Quebec, and the bill of incorporation provides for a capital stock not exceeding $500,000. The last annual statement of the company which is available, shows that in 1925 the company had assets amounting to $1,921,750; liabilities of $25,547; a total insurance in force of $14,698,028; receipts amounting to $193,942, and disbursements of $132,228.

NATION'S BUSINESS

board of customs and the appointment of a Dominion Board of Appraisers. The board of customs merely passes upon rulings and as it is composed of the men who make the rulings it really passes in appeal, upon its own work and is quite ineffective.

* * *

THE BOARD of appraisers that Mr. Sparks suggests would be composed of qualified men drawn from different branches of business who would supervise the establishment of a system of appraisals that would prevent undervaluation and similar evils. It would inspect appraisals made and see that goods were being properly valued. It would train men as appraisers and place them at key points throughout the country to assist and supervise the work of the customs collectors. Technical men would be available to the department. For instance, an expert in boots and shoes would see that these products were not being imported into the country at less than their real value.

Mr. Sparks' suggestion is one that must be regarded with the utmost gravity. Mr. Sparks knows the problem of smuggling and undervaluation as no other man in Canada knows it. He has been a strong force in bringing forward constructive suggestions. The whole basis of the reorganization of the department of customs and excise is the recommendations previously made by Mr. Sparks.

* * *

SMUGGLING of goods without payment of any duty was only part of the problem. The importation of goods by the payment of duties less than should be paid is equally serious and should be as effectively curbed as smuggling.

Here is indeed another job for the government. Canadian business men have the utmost confidence in Mr. Euler and feel that he will give to the evil of fraudulent invoices and undervaluation of imports as sharp action as he has given in the solution of some of the other evils that have faced him and that he now has largely effaced.

* * *

H. C. HOCKEN M.P., in his speech in the House of Commons on the Imperial Conference, struck out with a trenchant criticism of the Canadian delegates for their failure to force the discussion of economic questions. Practically the whole of the time of the conference was employed in discussing academic questions, Mr. Hocken pointed out. Canada's only representatives at the conference were two students of constitutional law, unequipped with practical minds, although they were faced with great practical problems upon which the prosperity of the Dominion and the Empire depend.

Mr. Hocken made a plea for the establishment in the Empire of a third great economic unit to match the United States of America and the continent of Europe. The one thing that is necessary to make the empire enduring is to create a great British Empire economic unit, which is another name for inter-Imperial trade," said Mr. Hocken.

Mr. Hocken's address was the one bright spot in the whole Imperial Conference debate in the House of Commons. He alone touched upon problems of trade and population, which are at the moment the real Imperial problems, surpassing in importance and significance constitutional questions.

Total coal production in Alberta for 1926 was 5,608,908 tons.

HOLDERS OF BELL NEED NOT WORRY OVER RESOLUTION

City Council Favors Purchase of Bell Telephone—Will Have No Weight

From Our Own Correspondent.

MONTREAL. — Investors in the shares of the Bell Telephone Company have no cause for worry whatever over the recent action of the City Council of the city of Brantford, which passed a resolution asking that the government acquire and operate the Bell Telephone Company's plant in Ontario. Apparently at the suggestion of the Brantford City Council the Board of Control of the city of Ottawa with a cheerful disregard of all the problems involved has also decided to recommend to the Ottawa City Council that the government of Ontario be advised to buy out the Bell Telephone Company's system in that province and operate the service "at cost."

Such action on the part of these Ontario aldermen and controllers is simply a reflection of the disappointment felt in the recent increase in telephone rates sanctioned by the Railway Board.

Will Have No Weight

But there seems little chance of such recommendations having any real weight with the people of Ontario generally, who fully realize that the Railway Board is a court appointed by the people to look after their interests. As such, the Railway Board viewed the application of the Bell Telephone Company in an unbiased light and after hearing all the evidence, pro and con, rendered its decision. In other words, it is certain that the revision of rates granted by the Railway Commissioners was such and only such as would allow the Bell Telephone Company to maintain its satisfactory services.

The public in Ontario realize that the purchase of the Ontario properties of the Bell Telephone Company could only be brought about at a price running into many millions of dollars. This would increase the provincial debt by the same number of millions, yet at the same time would bring about no assurance whatever of lower telephone rates.

Other Service Is Poor

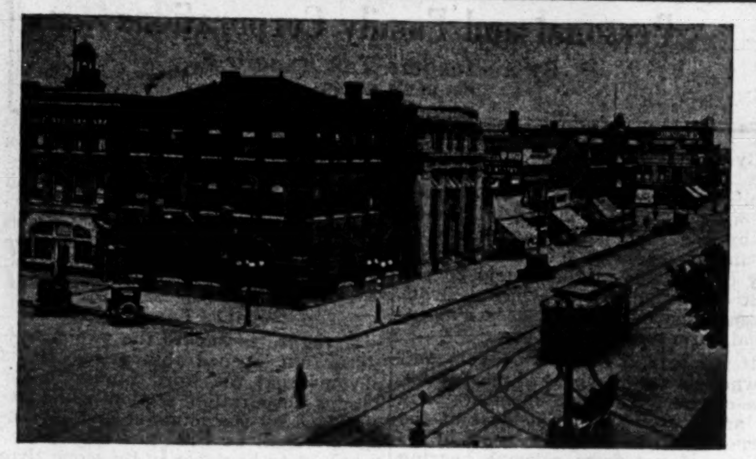
Moreover, some provincial and city telephone systems in Canada are publicly owned and operated, but the service rendered in such instances is no better—and usually not so efficient—as that given by the Bell Telephone Company. Had the City Council of Brantford and the Board of Control of the city of Ottawa given one tithe of the time to investigating the position of the Bell Telephone Company as the time given by the Board of Railway Commissioners, it is obvious that the City Fathers of both cities would have arrived at the same conclusions as the Board of Railway Commissioners, who went fully into the question.

The Bell Telephone Company has never made exorbitant, or indeed has not even made large profits from its operations. The company's financial records are open for all to see and never since its inception have its shares been split. Obviously, public opinion could hardly be brought to desire the acquisition of a property from which the shareholders have received only a moderate return over a period of many, many years.

During the current year, it is estimated that the net increase in the number of telephones will be somewhat smaller than in preceding years. The company's plans for additions to its properties involve a total expenditure during 1927 of $18,500,000.

As 1927 may be regarded as a normal year, it will be seen how great are the company's annual capital requirements. This figure of $18,500,000 compares with total fixed assets now carried on the books at $114,806,469, or with a total capitalization including bonds, loans from the bank, and capital stock of $75,000,000.

Where Rival Companies Seek Business



Business centre of Lethbridge now served by publicly-owned utilities that one private company wants to buy and to which another private company would sell power. —C.P.R. Photo.

NEW FINANCE COMPANY

Argue Brothers Offer Stock in Canadian Securities, Limited

Argue Brothers, Limited, of Winnipeg, are offering shares in Canadian Securities, Ltd. The latter company has been formed to handle instalment lien obligations, automobile paper, etc.

Capitalization, to be raised, is $300,000 7 per cent. first preferred; 1,500 shares second preferred of no par value and 1,500 shares common, also no par.

Offering is being made on a unit basis. For two first-preferred and one second preferred $230 is being asked. A unique feature of the offering is that 20 per cent. is payable in cash, and the balance in equal monthly payments over a five-year period.

INTERNATIONAL UTILITIES PLAN TO BUY LETHBRIDGE UTILITIES

(Continued from page 1)

miliarly known as the Calgary gas company, and the North Western Utilities, known as the Edmonton gas company. Thus it is serving the two big cities of Alberta and it is reaching out for more consumers, for with the prosecution of the quest for oil, tremendous volumes of natural gas have been encountered, particularly in the Turner Valley field near Calgary, and whereas the company was hard put to it a few years ago to find enough to meet its needs in Calgary, now there is an uncontrolled surplus, which can readily be turned into dollars if consumers can be secured.

Tremendous Gas Wastage

The present wastage of gas in the Turner Valley field is appalling but it cannot be helped if the search for oil is to be continued. Yet, as is the case with the Royalite No. 4 well (Imperial), in Turner Valley, this gas can be harnessed and utilized. In the winter season, No. 4 supplies as much as 18,000,000 cubic feet a day for Calgary consumers, domestic, apartment blocks and industrial. At other wells, which have pierced the gas strata, the product is burned. Prof. J. A. Allen, of the University of Alberta, has estimated that 45,000,000 feet a day is Alberta's gas wastage.

Hence it is easily understood that the big gas corporation has plenty of gas resources behind it when it goes into the market seeking franchises and offering as much as 1,000,000 for utility rights in Lethbridge.

Power Company Not Asleep

On the other hand the Calgary Power Company has been extending the scope of its interests quite as though there never had been any difficulty over the matter of development of power at the Spray Lakes, near Banff.

Besides its Calgary franchise, it has obtained franchises in Nanton, Cayley, Champion and Barons, all thriving towns in Southern Alberta, between Calgary and Lethbridge, and franchises have also been approved by the councils of Stavely and Carmangay, in the same district, and are being submitted to the ratepayers. Negotiations are in progress in respect of other municipalities, north and south of Calgary, on the Calgary and Edmonton branch of the Canadian Pacific railway.

Calgary is Worrying

Power to provide the service for these places is to be developed at the Kananaskis and Seebe plants on the Bow River, west of Calgary, but the company frankly states and the city of Calgary even more emphatically declares that more power will have to be available in the immediate future if Calgary alone is to be taken care of.

Meanwhile the government of Alberta has gone on record as favoring public ownership of the Spray Lakes power development system and is urging the Dominion government to issue the license to the province. The Ottawa authorities have again raised the issue involved by the possible precedent of the development of power in national parks, with alleged detriment to the scenery and it is feared by the civic officials that the whole matter will become involved with a consequent tedious delay in the effecting of a settlement.

Nevertheless the Calgary Power Company is out after business and it and the Calgary gas company are putting on a dramatic competition with Lethbridge, as noted, the crux of the situation.

René T. Leclerc Maurice Forget

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7% Cumulative Sinking Fund Preferred Stock

TRANSFER AGENT: National Trust Company, Limited. REGISTRAR: The Royal Trust Company.

Par value $100 per share. Fully paid and non-assessable. Cumulative dividends payable quarterly, 1st January, April, July and October, by cheque negotiable at par at any branch in Canada of the Bank of Toronto. Preferred as to cumulative dividends at the rate of 7 per cent. per annum, and as to assets in distribution to the extent of $110 per share and accrued dividends. Redeemable in whole or in part at the option of the company on 60 days' prior notice at 110 and accrued dividend.

CAPITALIZATION

	To be Authorized	To be Outstanding
First Mortgage Sinking Fund Gold Bonds	$1,500,000	
Series A, 6% Bonds, due April 1, 1942		$600,000
7% Cumulative Sinking Fund Preferred Stock ($100 par)	1,500,000	650,000
Common Stock (without par value)	100,000 shares	50,000 shares

From his accompanying letter to us, Hon. J. D. Chaplin, President, summarizes as follows:

BUSINESS: Hayes Wheels & Forgings, Limited, is the largest manufacturer of automobile wheels in Canada. It is a consolidation of the Hayes Wheel Company of Canada, Limited, with the Canadian Hardwood Company, Limited, and subsidiaries, and owns modern factory properties at Chatham and Merritton, as well as at other strategic points in the Province of Ontario. The property at Chatham covers an area of 7 acres, while at Merritton the company holds on a long term lease, renewable in perpetuity, a valuable water-power capable of developing 1,050 h.p., of which 750 h.p. has been developed. The company manufactures wood and metal disc automobile wheels, hubs, rims, front and rear axle assemblies, motors, carriage and wagon wheels, poles, shafts, automobile top bows and miscellaneous bent goods, and, in addition to supplying the leading motor car manufacturers in Canada, has a large export trade with Great Britain and other European countries, Australia, New Zealand, South Africa, India and South America.

Changes made in the tariff in 1926 whereby automobile manufacturers get the benefit of a drawback of 25 per cent. of the duty on parts they import provided 50 per cent. of the cost of producing the finished car is incurred in Canada is of special value to the Company. The policy of Imperial preference, by which tariff preferences are given to cars of which a substantial portion of the cost is represented by Empire materials and workmanship, also operates to the advantage of the company, and gives it a commanding position in Empire markets.

ASSETS: Net tangible assets as at January 1st, 1927, available for the preferred stock, as certified by Messrs. Price, Waterhouse & Company, were $1,936,835, equivalent to $298 per share of preferred stock. Current assets are certified at $1,251,192, and current liabilities at $382,159, giving a working capital ratio of 3.27 to 1.

SALES: Sales over the past ten years show a most satisfactory record of expansion, increasing from $987,120 in 1917 to $3,824,703 in 1926, or over 287 per cent. For the past five calendar years, sales have been as follows:

1922	$2,273,946	1924	$2,651,914
1923	2,729,725	1925	3,383,930
1926	$3,824,703		

EARNINGS: Net earnings, as certified by Messrs. Price, Waterhouse & Company, after providing for depreciation and income taxes, but before deducting interest on bonds, all of which are to be retired out of the proceeds of the present financing, were as follows:

	Earnings from Operations	Provision for Depreciation	Provision for Income Taxes	Net Earnings
1924	$224,256.58	$97,024.71	$10,143.78	$117,088.09
1925	369,434.11	96,938.84	21,910.10	250,585.17
1926	439,107.88	95,782.74	27,647.33	315,677.81

Net earnings available for dividends on the preferred stock, after providing for all charges, including depreciation, income taxes, and annual interest amounting to $36,000.00 on bonds to be issued, averaged for the three years above mentioned, $191,783.69, which is at the rate of $29.51 per share on the preferred stock outstanding, and for the year 1926 were $279,677.81, which is at the rate of $43.02 per share. The balance available for the common stock for the year 1926 was $4.68 per share on the 50,000 shares of no par value stock outstanding.

SINKING FUND: A sinking fund beginning April 1st, 1928, of 10 per cent. of the net profits available for common dividends is provided for the redemption of the preferred stock at or under par and accrued dividends. If the stock be not obtainable at such price, the sinking fund is to be maintained as a reserve for the redemption of the stock if and when it can be so purchased.

PROTECTIVE PROVISIONS: The company may not make further issues of securities of equal or prior rank to this issue except (a) security to the company's bankers in the ordinary course of business, (b) purchase money obligations and mortgages or encumbrances on future-acquired property, and (c) the above-mentioned sinking fund first mortgage bonds, without the consent of the holders of two-thirds of the preferred stock. Other provisions for the protection of the holders of preferred stock are also made.

MANAGEMENT: The same management which has been responsible for the success of the leading constituent companies will be in charge of the company's affairs. The services of Hon. J. D. Chaplin as President, and of Wm. Kistler, a thoroughly experienced automotive executive, as Manager, will be retained.

PURPOSE OF ISSUE: The proceeds of this issue are to be used for acquiring or redeeming outstanding stocks and bonds of the constituent companies, for improving the capital structure of the company and for effecting the amalgamation of the several businesses in order to secure the advantages that go with centralized buying and management; and for other corporate purposes.

These shares are offered when, as and if issued and received by us, and subject to the approval of all legal details by our counsel, W. Kaspar Fraser, and by Tilley, Johnston, Thomson & Parmenter for the company.

PRICE: 100 and accrued dividend, with a bonus of 3 shares of Common Stock with every 10 shares of Preferred

Dividends on the Preferred Stock accrue from April 1st, 1927.
Fractional shares of Common Stock will be adjusted at $25.00 a share.

Application will be made in due course to list both the Preferred and the Common Stocks on the Toronto Stock Exchange.

McLEOD, YOUNG, WEIR & CO.
Limited
Metropolitan Building
TORONTO

MURRAY & COMPANY
Metropolitan Building
TORONTO

The statements contained herein are based on information we believe to be reliable, and on which we acted in purchasing these shares, although we do not guarantee their accuracy.

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TORONTO, APRIL 15, 1927

SUGGESTING TWO REFORMS

ONTARIO proposes complete revision of its assessment act to bring it up to date. A draft bill has been printed and distributed among those interested in assessment problems. It is proposed that after the public and its representatives have had an opportunity to study the bill it will be re-introduced a year from now, when the legislative assembly meets, and when it will be made law with whatever changes have been found to be advisable.

In its present form the bill contains two features that are worthy of the attention of the business men. Two serious weaknesses in Ontario's present system of municipal taxation are retained. In the first place, no provision is made for the taxation of buildings, structures and similar property of publicly-owned utilities. In fact, it is specifically provided that such property of publicly-owned utilities shall be exempt from taxation. This shows an unwillingness to get away from the ancient fallacy that as taxing publicly-owned utilities is merely transferring money from one pocket to another that it is a waste of bookkeeping effort to levy such a tax.

It has been very conclusively demonstrated by the soundest students of municipal finance that publicly-owned utilities should be taxed. Public utilities are essential business institutions and should be able to stand the test as such. To make the test fair they should be put on an even basis with privately-owned companies. If taxation of public utilities makes it impossible for them to operate as cheaply as private companies then the municipality would be better off with private service. Moreover the general public should not be taxed to pay the cost of providing service to a portion only of its citizens.

The new assessment bill seems to make more air-tight than ever, the provision for the taxation of incomes by municipalities. Taxation of incomes by local bodies is an unwarranted duplication of a dominion tax. Toronto alone collects $2,250,000 a year in taxes on incomes and has scores of clerks checking up returns. Essentially the municipal income tax is a tax that can not be made to bear equally upon all. Salary and wage earners, whose incomes are reported by their employers, fall beneath the tax collector's scrutiny. Those whose incomes are less difficult to trace, deriving their revenues chiefly from investments, escape because of the difficulty of checking their returns.

Now that the assessment act is being thoroughly revised the time is opportune to arrange for these two business-like reforms; the taxation of publicly-owned business institutions and the abolition of the annoying and iniquitous municipal tax on incomes.

ADVANCE IN SCIENCE

THERE is practical unanimity of opinion among business men that research work, under governmental jurisdiction, should be broadened out in Canada. Canada has accomplished much in research and the names of Dr. Saunders and Dr. Banting need only to be mentioned to indicate what scientific research has meant to this country, both at home and in the eyes of the world abroad.

Unfortunately, the Honorary Advisory Council for Scientific and Industrial Research is a somewhat cloistered body and the layman finds it difficult to judge of the exact value of its accomplishments. The annual report is a most comprehensive and able document, however, and quite convincing.

When the annual government vote of $170,000 for this work was up in the House, Hon. H. H. Stevens, of Vancouver, raised the question of increasing the appropriation. He thought that at an early date Canada should establish a bureau of standards with a research laboratory. The suggestion has been made before and is a worthy one.

Mr. Stevens referred to one advantage that would accrue to Canada from such a well-organized research laboratory. It would provide an opportunity to utilize the services of young Canadian scientists, who must now go to the United States to carry out research work. Because Canada has not the proper type of laboratory they must finish their studies across the line and Canada loses many of them permanently.

Money spent on research work, if well spent, will advance Canada among the nations of the world.

DUMPING IS TRADE SIN

EVEN the strongest free traders cannot justify inaction in any country in the face of dumping within its borders of goods by another nation. Free traders base their argument against the protective tariff upon the ground that, in the long run, a country should not attempt to build up industries or groups of industries that cannot economically justify themselves in world competition without artificial support. But the dumping of foreign goods at less than cost or below the customary market prices is always a temporary affair that cannot possibly provide sufficient benefits to offset the loss caused by the dislocation of the competing industry at home. Meeting the competition of dumping should not be a test of an industry's economic soundness, argues Professor Jacob Viner, of Chicago, in the memorandum on dumping that he has prepared for the International Economic Conference of the League of Nations.

Viner suggests a world control of dumping through the International Union for the Protection of Industrial Property. This suggestion will no doubt be threshed out at the economic conference in May. In the meantime, Canada is more interested in Mr. Viner's immediate practical suggestion that the best way to curb dumping is to entrust the customs department with wide discretionary powers in regulating this practice, so serious in consequences to Canadian industry.

Canada has suffered much from dumping and, there is reason to believe, suffers to-day from dumping. Lack of a consular service abroad and lack of technical experts in the various departments at home make dumping exceedingly difficult of detection.

PEACE RIVER OUTLET

THE railways and canals committee of the House of Commons did a worth-while task in studying the question of a railway outlet from the Peace River Country to the Pacific Coast. The summary of its conclusions is a masterpiece of brevity. It reads:

"Your committee is of opinion that building a western outlet from the Peace River area is feasible from an engineering standpoint.

"The weight of evidence before your committee indicates that, on economic grounds, such construction should not be commenced forthwith, as set forth in the resolution referred to your committee.

"Your committee is of opinion that much greater traffic development is necessary in the area to make the building of such outlet economically sound.

"Your committee is further of opinion that potentialities of that area are such as to warrant a continuous study of its development."

This should effectively dispose of the agitation for immediate construction of the line. And it should bring comfort to the advocates of such a route by showing them that, in time, when the proposition becomes economically feasible, such transportation can and will be provided them.

DANGEROUS

SOME time ago it was announced that the province of Alberta would emulate Ontario and launch a province-wide power scheme on a public ownership basis. Power rights in the Rockies would be obtained from the Dominion government. Government plans and transmission lines would be built to serve the people.

Now it would appear that the forecast was somewhat premature. The provincial government has not committed itself finally, although the Edmonton Journal has been asking it to come out in the open with its plans, if it has any. There is much opposition in Alberta to the scheme for such a large government development and there is no certainty that the public would approve in the final analysis. Certainly, the tendency in Alberta has in the past two or three years been away from state socialism. Albertans are beginning to appreciate the advantages of giving a square deal to private initiative.

If the Alberta government wants finally to ruin the credit of the province, the suggested power scheme would accomplish the execution very neatly.

NO GRANT FOR ARMY

THE Salvation Army is not in the future going to get from the Dominion government the $25,000 annual grant it has had for some years. Mr. Forke, minister of immigration, has made it definite that he will not assent to the renewal of the grant. He declares that the Salvation Army must now go on the same footing as all other immigration agencies. The usual assistance for passage money, training, etc., will be paid to immigrants brought out by the Salvation Army, but the special grant that has been given the Army to help it in its work will not be paid in the future.

This will be regarded by many as unfortunate. Theoretically, it may be good departmental policy not to pay a grant to the Salvation Army when other immigration organizations do not receive grants. Practically, the Army has proven to be such a worthwhile force for bringing in immigrants as to be worthy of special consideration.

There has been some argument concerning the understanding that the Salvation Army arrives at with the boys it brings out, under which they pay back a portion of the expense incurred by the Army in bringing them to Canada. In this misunderstanding, the department of immigration has not shown to good advantage. Nor has the Salvation Army entirely removed the misapprehension that they were asking the boys to pay back passage money, when indeed passage was, according to Mr. Forke, being granted free by the Dominion and British governments. But the argument is really beside the point. The Army has been and can continue to be a powerful immigration factor and should be encouraged.

THE NEW COMPETITION

BUSINESSMEN are learning that competition entered into a new phase since 1920. This is not to say that present tendencies were not somewhat in evidence before, but that they have become so intensified as to present a new situation.

The traditional competition within well defined groups still continues. But this is only one phase of present-day competition. Now, department stores sell drugs and everything else. Drug stores have found a lucrative field in the lunch-counter business. Producers, wholesalers and jobbers compete with each other in various ways. Thus, grain growers, stock raisers, bee-keepers enter the distributive field, and mail-order houses and chain stores compete with everybody.

Industry competes with industry; as cotton fabrics compete with silk and silk competes with rayon. Not only individual producers and merchants, but industrial groups struggle for the consumer's dollar. Directly and indirectly, in varying degrees, industrial and merchandising ability on this continent is engaged in a fairly sharp struggle with that of other countries.

It is doubtful if this situation has ever before been paralleled in economic history. In order to meet it, as Canadian Grocer points out in a current editorial, a maximum effort will be required of management during 1927.

BACKBONE OF BUSINESS

THERE has been a great deal of speculation in business circles recently, and particularly in the automobile world, as to what Henry Ford's next move will be. He has built up a huge organization, has amassed what is considered to be the world's greatest private fortune, and the business has remained under the control of himself and his son. There has been some talk of further price reduction on the company's product, and in this connection an article in the New York Sun states: "Motor men are sceptical of a price reduction. They point out that the Ford dealer organization must be considered as well as the Ford purse. While Ford himself might get along on smaller income, the dealers are scarcely likely be satisfied with price schedules which would mean further reduction in their share. Ford's dealer organization is, after all, the backbone of his business."

The great dependence of one of the world's largest industries upon its dealer organization and its contact through dealers with the consuming public is indicated by the foregoing. Manufacturers sometimes overlok the the fact that their own success is largely dependent upon the success of theres. Much attention is sometimes given to achieving the utmost efficiency in production and, perhaps, in distribution to the jobber and retailer, but there the interest of the producer too often drops. If the retailer is not able to handle that manufacturer's product and sell it in sufficiently large volume, then there is an unfavorable reaction upon the producer. A chain is no stronger than its weakest link, and a close contact with a group of efficient retailers is one of the greatest assets to any industrial concern.

EDITORIAL NOTES

TORONTO is seeing "East Lynne" this week. There is no truth in the rumor that Hart House Theatre will revive "Uncle Tom's Cabin."

* * *

WILLIAM LYON MACKENZIE was premier of Canada from 1874 to 1878. Or so we are told by a new booklet published by a life insurance company.

* * *

THOUSANDS who do not know what C. P. R. stock is selling at, can tell you that Rogers Hornsby got $100 a share for his stock in the St. Louis baseball club.

* * *

CROOKED stock promoters often use the shareholders' list of the largest and most reputable firms for their direct-by-mail promotion work. Which is the reason why one of Canada's wealthiest men received the other day a letter beginning "Are you going to grub along on a small salary all your life"?

* * *

OFFERINGS in one day of $5,000,000 of Minnesota and Ontario Paper Company bonds and $13,000,000 of Spruce Falls Power and Paper Company bonds indicate how American capital is flowing into Canada. But it is getting no strangle-hold on our resources. Canadian investors shared in each issue.

INCOME TAX PROBLEMS

Personal and Family Corporations

By an Income Tax Expert

PROBLEM NO. 16.

By the amendment to the Income Tax Act of 1926 a corporation, the capital stock of which is "controlled by one person who resides in Canada or by one such person and his wife or any members of his family or by any corporation of them" and 25 per cent of the income of which is from revenue-bearing securities, is a "personal corporation."

If the capital stock is 75 per cent. "owned by the members of one family, one or more of which members take an active part in the business of the corporation" and 25 per cent. of its income is not from revenue bearing securities, then it is a "family corporation."

Taxed in Shareholders' Hands

If the gross revenue of a personal corporation is to the extent of one-quarter earned from "the trading in securities or from interest, dividends or rent," then the income of the corporation will not be taxed to the corporation but will be taxed in the hands of the shareholders, whether distributed by way of dividend or not.

Gross income is defined as the sum of the net profits from each source; for example, if from the operation of the factory, store or commercial business, as the case may be, the net profits were $9,000 and the income by way of interest and dividends from securities in which the company had invested were, net, $3,000 or more, the gross revenue would be $12,000, then the company is a personal corporation. If the investment income were less than $3,000 it is not a personal corporation, it is a family corporation.

Changing Back and Forth

It is obvious if the commercial income was nil or a deficit through a bad year of business and the income from revenue bearing securities was $3000 then what is essentially a trading company becomes a personal corporation and its income is taxed against the shareholders, not the company; next year its profits are good, its investment income remains the same, then it is not a personal corporation and so it may oscillate from year to year.

A personal corporation becomes such by mere operation of the law if the necessary facts are present; but to be a family corporation the shareholders must so elect. Note that it is not a corporate election but shareholders' election. The election must be unanimous and unless the document of election states that it is for more than one year it is good for only one year, provided there are no changes in the shareholder personnel. Generally speaking the election must be made each year. An election can be revoked at any time. This election to be treated as a family corporation is regarded as extending a privilege to the shareholders. On the other hand parliament intended that the "personal corporation" section should operate as a deterrent to one-man corporations or as a deterrent to that method of minimizing the wealthy man's income tax. Unfortunately it so operates, on a strict, legal construction, that a commercial trading company, the revenues of which fall to the extent of having its investment income equal or more than one-quarter of its revenue. becomes a personal corporation although it was never formed to minimize taxes of its shareholders nor did it so invest in revenue-bearing securities. It is such simply because its trading profit was small and the shareholder, who might have received a dividend but for the low profit is nevertheless called on to pay a tax on this profit, just as if he had received it. It should be kept in mind that besides the revenue factor operating to cause this there is as well the fact of the stock being held by one man, his wife and family. If the stock is more widely held no question arises.

What is Family?

If regard is had to the two definitions that opened this article, it is obvious that the word family in the family corporation section while determined by the minister and his decision "shall be final and conclusive" is meant to be wider in its scope than as used in the personal corporation section. So far as can be ascertained it appears that family includes the brothers and sisters of one family and from them ascending their father and mothers, while descending, their children and grandchildren, together with the husbands and wives of each, as the case may be.

On the other hand, the word family as used in the personal corporation section is much more restricted. It probably only includes the husband and wife and their sons and daughters and no more, except where it can be shown that others are holding on behalf of the "family." That, however, is not really now under consideration. The family in such a case is acting in law by themselves. You could not group the father and mother and the grandsons and grandaughters to make a personal corporation.

It will be observed that the shareholders of a personal corporation may be well within the definition of "family corporation" but are removed therefrom by reason only of the nature of its income.

Shares Held By Estates

If the shares are held in part by an estate, members of the family for family corporation purposes being the beneficiaries of the income from the shares so held, then it would seem to be within the meaning of the act to look through the estate and include such beneficiaries just as if they themselves held the shares in their own names.

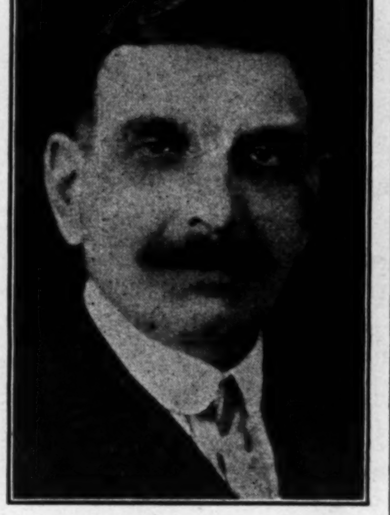
On the other hand, as to personal corporations, if the shares are held in part by an estate irrespective of who the beneficiaries may be such shares could not be included to make up the necessary percentage (51 per cent.) to bring the company within the meaning of personal corporation. The explanation of the distinction lies in the fact that the family corporation is to be liberally construed in accordance with its intent while the personal corporation section, being in the nature of a penalizing section, must be strictly construed.

Previous Articles Now Reprinted

The series of articles on income tax problems that have been running in The Financial Post have been one of the most valuable features we have ever published. Acceding to numerous requests that we make these available in permanent form, we have re-published the first fifteen articles in booklet form. A purely nominal charge of 25 cents per copy is being made to cover the expense of printing and binding the booklet.

Former Food Controller Buys Ladysmith Smelter

From Newfoundland to British Columbia's coast is 4,000 miles but the mind of H. B. Thomson spans such a gap in a twinkling. Having completed the work of promoting the Newfoundland Power and Paper Company and seeing that company off to a good start, Mr. Thomson turned his attention to the copper mining in British Columbia and now it is announced that he has got together British capital to rehabilitate the Old Ladysmith smelter which will now be made available for custom work for the coast copper mines, thus opening up new mining possibilities on the coast and in the Portland Canal district.



H. B. THOMSON.

Offered Opposition

Mr. Thomson now makes his headquarters in London, where he is one of the most Canadian of Canadian citizens of the Empire's capital. Canada almost retrieved him when, so it is understood, he was offered the post of Conservative leader of British Columbia, but he turned it down.

Coast politics would not have been a new field for Mr. Thomson. He was whip of the McBride administration for ten years, resigning in 1916 to take up war work for the Federal government. He was chairman of the commission that built 5-masted schooners. Then he became food controller for Canada. He did excellent work on this job, it is universally admitted, marshalling the resources of the nation most efficiently.

Now Financial Promoter

Going to London as acting chairman of the Canadian mission in 1919 he decided to remain there and become a financial promoter. The Newfoundland Power and Paper Company and the new Ladysmith smelter organization are products of his effort. He has found time, though, to make an extensive report to the British government on hog marketing in the British Isles.

Mr. Thomson haled originally from County Down. His father was captain in a Highlanders' regiment. His own career started in an export shipping office in London where he was a clerk, but shifted to British Columbia when he came out to Canada to work in a trading organization during the early mining and land boom days of 1893.

According to an announcement, five Canadian Government war and fishery steamships will patrol the west coast of Vancouver Island this season to guard the northward trek of Pelagic seals.

Massey-Harris

We have prepared a special analysis of this company which may be had upon request.

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FOLKS and Finance

ROBERT HUGH TENNANT, who was recently elected chairman of the Westminster Bank of London, in place of the late Walter Leaf, has long been prominently associated with activities in the midlands of England. At the present time he is on the board of the Stanton Ironworks. Mr. Tennant was a director of Crompton's Bank, one of the famous English country banks which was absorbed by Parr's Bank in 1914. He was appointed to the board of the larger institution and two years later became deputy chairman of Parr's Bank. In 1916 Parr's Bank became merged in the London County Westminster and Parr's Bank, and in 1918 Mr. Tennant was elected joint deputy chairman with Sir Montagu Turner of what was later to be called Westminster Bank, Ltd. For several years Mr. Tennant was a member of the advisory council of the Board of Trade. He is now a member of the Council of Foreign Bondholders, and is also on the boards of the Bank of British West Africa and the British Italian Banking Corporation. He was born in 1860.

Rupert Beckett, who succeeds Mr. Tennant as deputy chairman, was a partner in Beckett & Co., the banking house of Leeds, Yorkshire. When a few years ago this was absorbed by Westminster Bank, he was appointed to the board of the latter institution. He was born in 1870 and is a director of London & North Eastern Railway, the Royal Exchange Assurance Corporation and the Yorkshire Penny Bank.

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Bonds may be registered as to principal

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Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

Canada Biscuit Co.

Will you please give me your opinion of Canada Biscuit Co.'s 6½ per cent. sinking fund gold bonds, series A, due May 1, 1946? The purchase price is to be 101.

The 6½ per cent. sinking fund gold bonds of the Canada Biscuit Co. are a good grade of industrial bond. The price quoted to you is one point above the price at which they were offered to the public last May.

While the results of the first year's operations of the merged company are not yet available, it is fair to assume that earnings have been more than adequate for interest on the bonds. The assets back of the bond are adequate.

Cosgrave's Brewery

Will you kindly advise me your opinion of Cosgrave Brewery stock now selling at $7 the share and what possibility it has of selling higher during the coming summer?

All the brewers in Ontario expect to make good profits when the new Ontario liquor law comes into effect. There is a possibility that the industry will become overcrowded in which event the weaker companies will suffer.

Cosgraves have the advantage of having remained permanently in the field during the period of so-called prohibition and they are now actively operating and paying dividends.

In our opinion all of the brewery issues are speculative.

Continental Casualty

Will you be kind enough to advise me of the rating of the Continental Casualty Company, and whether in your opinion the health and accident insurance sold by this company is a good policy to buy?

The Continental Casualty Company is regularly licensed to do business and is we believe thoroughly sound financially.

They write a number of different accident and health policies to serve persons of varied needs. Any one of these policies would undoubtedly prove satisfactory. They have a special motorists' complete accident contract which pays double indemnity for any accident caused while riding in or by being struck by an automobile.

Ice-o-Matic

I have 10 shares of Ice-a-Matic. What is your opinion of this?

Ice-O-Matic is a new company with some good men in it but which is embarking on a field where there are at least two companies of great financial strength. Ice-O-Matic on the other hand is starting out with capitalization rather moderate. This moderate capitalization would work to the benefit of shareholders if it be adequate for the purpose but if it proves inadequate a re-organization might be necessary before the company could begin to earn its way.

At the best, shares in Ice-O-Matic must be considered speculative as are shares in practically all new enterprises.

Dodge Bros.

Dodge Bros. has made no worth while appreciation in price during the winter, but I understand they are coming out with a new model in the spring. Do your think that series A is a good buy at present prices?

The non-voting common stock of Dodge Bros. Incorporated must remain a highly speculative security for some time to come. There are experts who consider the immediate outlook of the motor companies somewhat uncertain and Dodge Bros. is in the position or having to change the model and go through an expensive period of re-adjustment in connection therewith in order to maintain a satisfactory volume of sales. It would be advisable, in our opinion, to await the events of the next few weeks or months before investing in this stock.

Laura Secord, Etc.

Following is a list of investments which I hold and from which I am trying to get enough income to live on. I own my own home, therefore find I can get along on $100 per month, and figure on re-investing anything over that.

Your advice re the following list as investments both for income, safety and appreciation will be much obliged; also any recommendations of switches and reasons for same.

$1,000 City of Calgary 5½ at 100.
$1,000 Gatineau Power 5% at 94.
$1,000 Page Hersey 6% at 100.
$1,000 Canadian Bakeries 6½% at 103.84.
$1,000 Prov. of British Columbia 4½% at 95.66.
$1,000 Howard Smith Paper 7% at 105.
1,000 International Paper Deb. 6% at 99.
1,000 Argentine Nation 6% at 99½.
2,500 Canada Steamships 6% at 97.
5 shares Laura Secord Prfd. 7% at 100.
15 shares Cosmos Prfd. 7% at 93⅜.
10 shares Page Hersey Prfd. 7% at 100.
5 shares Studebaker Common at 55.
10 shares Cosmos Common at 16.
5 shares Kelvinator Common at 17.
6 shares Can. Bank of Commerce.
15 shares Royal Bank of Canada.
$9,000 in Mortgages on properties, 8%.

We wish to congratulate you on your investments. There appears to be no item in the list which is not sound with a reasonable degree of diversification so that if anything should happen to one or two of the securities your total income will not be seriously affected.

If you have further sums to invest you might possibly increase your participation in Laura Secord by buying a few shares of the common. We also think that Cosmos Imperial and Page Hersey common are worthy of consideration. Kelvinator is an industry which has a great future, the only objection to the common stock of this company being that there is a great deal of it. Presumably your mortgage investments are in your own neighborhood and that you can yourself judge accurately as to the position of this investment.

Some participation in Canada Steamship Lines common, Canadian Bakeries, or Howard Smith common, should prove profitable.

Canadian Paperboard

Are the bonds of the Canadian Paperboard Company a safe investment? I notice that they are selling at a low price, which indicates, perhaps, that the issue is speculative. Has the company a good management?

After payments of all charges including depreciation, the Canadian Paperboard Company during the nine months fiscal period ending March 31, 1926 had $100,000 applicable to its bond interest and tax requirements of $48,000. This is a satisfactory ratio of earnings to bond interest requirements and we believe that these bonds would be a very suitable investment for you.

One of the reasons why the bonds are perhaps selling out of line, is due to the fact that the Canadian Paperboard Company is not a particularly large organization. Its total assets amount to $3,382,256. The company is growing and we believe in the future, its earning power will increase. Moreover, its destinies are guided by a very capable management.

No, we do not consider this issue speculative.

Hilton Bread Co.

Enclosed is folder from A. E. Pearce & Co., re Hilton Bread Co. preferred stock carrying bonus of common stock. Would you kindly give your opinion of this as an investment for a man on moderate salary who already holds $4,000 in government bonds. Am considering purchase of 100 shares.

We would suggest that you do not invest too much in Hilton Bread Co. preferred stock. We do not know anything against this company and in fact have reason to believe it is now making progress, but we are inclined to be doubtful of the proposition because of the fact that the prospectus does not contain all the information that prospectuses should contain. We would point out that there is no balance sheet and the amount of the appraisal of the property is not given. The fact that investors in Canada Bread Co. have been fortunate in the last fifteen years does not make it certain that investors in Hilton Bread Co., a smaller competitor of Canada Bread Co., are going to gain.

Seagram's

Will you give your opinion of the possibilities of the stock of Joseph E. Seagram & Sons, Waterloo? Will the evidence so far given in the customs investigation have a favorable or unfavorable effect on the stock?

The customs enquiry probably will not affect the company now operating the Seagram Distillery for the reason that any fault to be found with the former owners of the distillery cannot be a charge against their successors.

There are two opinions as to the future of new Seagram company. One is rather favorable and the other is inclined to take the view that the capitalization of the company is somewhat excessive in view of the comparatively small stock of liquor which Seagrams have on hand. In justice, however, it must be pointed out that this view appears to emanate from interests which are affiliated with competitors.

Unhampered by a prohibition law, the distilleries in Ontario should do fairly well in the next few years.

Building Mortgage Bonds

I would ask you to advise me re an investment of $500 in United Bond Co.'s Bloor Street issue and $500 in their Manufacturers' Building. Both issues are floated by the United Bond Co., and are first mortgage bonds.

The Bloor Street and the Manufacturers' Building bond issues, sponsored by the United Bond Co., are a reasonably safe investment.

The bond company is a subsidiary of the United Bond Co., of Detroit, and has been in business in Canada for some years. They have an excellent reputation in respect to treatment of their bondholders.

All of the properties constituting the respective securities of their various bond issues are being operated successfully. At least three properties have in a brief time changed ownership at prices ranging from 10 per cent. to 25 per cent. higher than the United Bond Co.'s appraisal upon which bond issues were based. This speaks well for the conservatism exercised by the company in its appraisals.

Alberta Pacific Grain

As a subscriber, I would be glad to have your opinion of Alberta Pacific Grain at about 22, and Imperial Oil at about 44, for a speculative investment of about $1,000; also International Pete and any others you might have in mind.

Alberta Pacific Grain at 22 appears to be a fairly promising speculative investment.

Imperial Oil at 44 is considered by some investors to be a bit high but the experience of investors in this company over a term of years has been extremely happy and there is no reason to believe that the future will tell a different story.

The immediate future of this company possibly will be affected by the drop in the price of crude oil in the mid-continent field, but the rise or fall in the current earnings of the company is cause for neither great elation nor chagrin.

International Petroleum is a producer of crude oil and will find itself even more seriously affected by the drop in the price of crude.

If you are interested in common stocks which have a reasonable chance of appreciation in the next few months, we would suggest Laura Secord, Cosmas Imperial, and Christie Brown.

Canada Bread

I would like your opinion of Canada Bread, Steel of Canada, Imperial Oil and Manitoba Central Mines.

Canada Bread preferred is a participating preferred stock. The company is doing very well and there is reason to believe that your experience with this investment would be happy.

Steel of Canada preferred is one of the best investment stocks in our opinion. Besides being a prior claim on earnings it is participating after the common has received 7 per cent. and it is to be expected that within a year or two the dividend rate on both stocks will be increased. Steel of Canada does well year in and year out because its management is efficient and because its products are diversified.

Investment in Imperial Oil is attractive because the record has been excellent. It is known that the company has large cash reserves and it is possible that there will be further distribution of profit. The only objection to investment in Imperial Oil is that the company declines to give to its shareholders the information to which they are entitled.

Manitoba Central Mines, in the opinion of our mining editor, is a very good prospect with the probability that production will be achieved some time in 1927.

Sound Common Stocks

I am considering purchasing the common shares of the following companies: Brazilian, Montreal Power,, Dominion Textile, Canada Cement, C. P. R., and Winnipeg Electric. What do you think of my choice?

In our opinion, all the stocks which you have named are sound purchases.

We believe that before the close of the year Brazilian Traction may sell as high as 150. In the meantime there may be some minor reaction but we do not know. All the stocks which you have named you should purchase with the idea of a long hold. Any one or all of them might decline in price tomorrow—this, however, we consider most unlikely and think that they would all be more inclined to move upwards. However, you cannot expect any immediate appreciation in any one of these securities. They are entirely a long hold proposition.

Of your list, perhaps Shawinigan Water and Power common looks the most attractive but we must admit that you have made an excellent choice. If you believe in the future of Canada, then you must also believe in the increasing earning power of the C.P.R., for one cannot advance without the other. If you spread your investment over all these seven stocks, we believe that you cannot fail to make a satisfactory profit over the next two or three years.

Port Alfred

One of my clients has asked me to obtain your opinion on the advisability of selling $2,000 in Government of Newfoundland, 5½ per cent. bonds at 102.50 and purchasing with the proceeds 20 shares of the Port Alfred Pulp and Paper Corporation's 7 per cent., cumulative, preferred stock. I would be obliged for your opinion on this matter.

Whether or not your client should switch from government bonds into preferred stock depends fundamentally upon whether such a switch would radically affect the proportion of the holdings, which your client has in gilt edge bonds and in stocks.

The Port Alfred Pulp and Paper Corporation's 7 per cent. preference shares are an excellent investment. We believe the company could maintain dividends on this stock even if the newsprint industry experienced harder times than those through which it is now passing.

Due to the over expansion of the newsprint industry in this country, it is generally anticipated that earnings of the newsprint companies will show some decline during the current year. This probably will not be true of Port Alfred as that company increased its newsprint capacity materially between the middle of 1926 and the present time.

There is a possibility though, that the stock might sell lower before the close of 1928—depending on the general market level of the newsprint stocks. In any event, we consider the purchase of the stock at present prices to be an excellent investment for a long hold.

Provincial Bank

Will you let me have your views regarding the shares of the Provincial Bank of Canada. I understand they are selling at 124 and paying 9 per cent., thus yielding over 7 per cent. Judging from the yield, the stock must have some speculative element surrounding it. Would I be well advised to invest a small proportion of my holdings in this stock.

The shares of the Provincial Bank of Canada are selling at about 124 at the present time and the bank has been paying a 9 per cent. dividend since July 1, 1920.

Last year, the bank's profit and loss account showed net earnings for the year of $407,259, as against requirements of $404,534 for taxes, dividends and amortization in full of the cost of the installation of new branches. Thus you will see that the earnings are not greatly in excess of the dividend requirements. The banks balance sheet presents a satisfactory appearance.

One of the reasons why the shares sell on such a high yield basis is due to the fact that first of all they are not listed on the exchange and simply change hands between brokers and, secondly, because of the double liability clause, the shares of the small banks are not particularly popular with the public.

In the event of a bank failure, as you are aware, the shareholders may be called for a further sum equal to the par value of their holdings.

We believe that you would be safe in investing a small percentage of your total resources in the shares of the bank.

When Women Invest

Men Salesmen With Women Clients Tell of Experiences in Selling Securities Suitable for Buyers; Diversification is Essential.

A REGULAR FEATURE

One of the salesman for a large investment banking house, who has a number of women clients, says that he has no set rules in recommending purchases by women. If she is a young woman earning a fairly good salary, is living at home and not wholly dependent on her earnings for the necessaries of life, she can buy somewhat less conservative offerings than can a woman who is dependent on income from investments for the care of herself, and perhaps of children.

The business woman, if she exercises ordinary care, can indulge in the business man's investments and the result should be happy from the viewpoint of income and safety of principal. If she happens to be so placed in a business where she has an opportunity to learn something about investments, or if her employers and business superiors give her the benefit of their experienced counsel in such matters, she reasonably can venture into sound industrial stocks.

Inherited Stocks

But women as a rule, it is claimed by a man who has sold many securities to women, are apt to play hunches or prejudices rather than exercise good judgment. A widow sometimes will insist on holding on to securities bought by her husband when such securities are not suitable for a widow, however suitable they may have been for the husband while living. He may have acquired them as a temporary investment or speculation. But sometimes his widow cannot be convinced of that. It is a matter of loyalty that she hang on to them rather than convert them into good bonds.

Then there are women who go to the other extreme and will not for a moment consider anything a safe investment that is not a government bond. There have been instances of women refusing to consider even a Canadian National Railway bond guaranteed, both as to principal and interest, by the Dominion government. These women sometimes could, by dealing with an investment banking house or trust company of recognized standing and integrity, increase their income to a more comfortable living point by putting a part of their holdings into a diversified list of good railway or first-mortgage bonds of an industrial. It is not always advisable, of course, for the woman to depart from the rule of government-bonds-only for women dependent on income from investment. But sometimes it is expedient and reasonably safe when the advice comes from honest sources and the dealings are with investment bankers of known standing in the community.

A tendency of many women investors which also has been observed by a man who sells to women is that they are unwilling to diversify their holdings. If they are told that a certain industrial bond is high grade, they at once either will refuse to consider it at all or would put too great a proportion of their earnings into the offering.

The principle of diversification is all-important. James B. Forgan, the president of the First National Bank of Chicago and the First Trust & Savings Co. of that city, says that his fortune was made out of his purchases of the bank and savings company's stock and the stock of the American Raditor Co., of which he is, and has been for many years, a directer. He has not diversified in his active business life. But he was the head of one institution which controlled the other and he was a director of the industrial company. He had all his eggs in two baskets and he kept a close eye on the two baskets. He was the principal guardian of one basket and one of the principal guardians of the other. There are many other fortunes which have grown in the same way.

Investors as investors are not in position to watch the basket into which they have put all their eggs. Hence it is important that they do not put all their eggs into one basket. If they use a dozen baskets for a dozen eggs and the dozen baskets are not in the same push-cart liable to be demolished by the first careless automobile driver, comparative safety is the result. It would be extremely improbable that a dozen push-carts would be demolished by careless automobiles at the same time.

Massey-Harris

The business of this company, which has been in profitable operation for 80 years, is one of the outstanding successes in Canadian industry.

The 7% preferred stock, as the senior security of the company, is entitled to highest ranking as an industrial investment of substantial return.

We recommend its purchase at the current market price of about 109 and at your request we shall be pleased to send you a full description.

Ask for Circular M5

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A Review of Business Conditions

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J40

Announcement

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THE NATIONAL CITY COMPANY CANADA

Gatineau Power Company

5% First Mortgage Gold Bonds

Due June 1, 1956

Interest payable June 1 and December 1

Coupon Bonds in $500 and $1,000 Denominations

The Gatineau Power Company controls water power sites with an aggregate potential capacity in excess of 700,000 h.p. Contracts for the sale of power have already been executed with the Hydro-Electric Power Commission of Ontario, The Canadian International Paper Company and the Canada Cement Company. Estimated net earnings, upon the completion of the Company's four power plants will be almost three times annual interest requirements on the above issue of bonds, the earnings from the Ontario Hydro-Electric Power Commission contract alone being over 1.8 times these interest charges. We recommend these bonds as a sound and attractive investment. Circular upon request.

Price at Market to yield about 5.15%

The National City Company Limited

Head Office—St. James and St. Peter Streets—Montreal

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News of Investment Markets

Minnesota and Ontario Paper Bonds Offered by Syndicate

A new issue of $5,000,00, first mortgage, 6 per cent., bonds, series C, of the Minnesota and Ontario Paper Co., is being offered for public subscription this week by a strong Canadian and American syndicate. This company was incorporated in 1908, and since then has acquired extensive timber and power leases from the Ontario government, which it has been gradually bringing under development.

Upon completion of additions now nearing completion and provided for, company and subsidiaries will rank as one of the largest of its kind in Canada. Combined plants will have an aggregate annual capacity of 250,000 tons of newsprint, 34,000 tons of high-test Kraft liner board, 150,000,000 feet of high standard insulating material, and over 150,000,000 feet of rough and finished lumber, box shooks and crating. In addition, power developments now owned and operating have a combined generating capacity of 75,000 h.p., with auxiliary steam turbine plant of 7,000 h.p. There is under construction 10,000 additional h.p., and a 13,000 h.p. steam turbo plant, making a total of 85,000 hydro-electric h.p. and 20,000 electrical h.p. generated through steam turbines, which will be in operation early next year.

Details of the issue follow:

$5,000,000

Minnesota and Ontario Paper Co.

First Mortgage Sinking Fund 6% Gold Bonds Series C

Dated Apr. 1, 1927 Due May 1, 1950.

Business—Newsprint, insulated material, lumber, hydro power.

Purpose of Issue—Used to reimburse company in part for expenditures made and to be made for additions to physical properties and for working capital.

Security—Direct or collateral first lien on all physical property now owned or hereafter acquired by company and on all physical property owned by its principal subsidiaries.

Valuation—Independent appraisal of hydro-electric and hydraulic developments, paper and sawmill plants, exclusive of value of timber limits, aggregate an amount greater than first mortgage sinking fund gold bonds to be presently outstanding.

Sinking Fund—Sufficient to retire all series C bonds by maturity.

Earnings—Annual average four years ended December 31, 1926, $3,612,863 (last year $4,730,444) while maximum annual interest requirements on first mortgage gold bonds $1,500,000.

Assets—Giving effect to present financing and appraisals of fixed property discloses net tangible, after deducting all liabilities except these bonds and net current assets of $69,329,247 and $15,447,164 respectively.

Offered—Halsey, Stuart and Co., Brown Brothers and Co., Bond and Goodwin, Inc., of New York; Minnesota Loan and Trust Co., Minneapolis; First Trust and Savings Bank, Illinois Merchants Trust Co., and Continental and Commercial Co., of Chicago; Aird, MacLeod and Co., Wood, Gundy and Co., and MacLeod, Young, Weir and Co., of Toronto, at a price of 100 and interest to yield 6 per cent.

Johnston Goes to Regina

H. W. Johnston, secretary of the Winnipeg office of the Toronto General Trusts Corporation, has been promoted to the position of manager for the corporation at Saskatoon. Mr. Johnston has lived in Winnipeg for the past 13 years.

The contribution of sound Industries to the Nation's Wealth

Sound Canadian industries have furnished a large share of the profitable opportunities for sound investment during the past half-century.

Hanson Bros. have been prominently identified with the distribution of high grade securities of this character to investors.

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A Fair Burden

Make each dollar you save carry its fair burden. It should bring you from 5½ to 7% with safety for your principal.

Government bonds and bonds of well-established industries are good investments. They pay you up to 7% on every dollar put into them.

Our advice on investment matters will help you. Ask for our list of sound bonds.

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Please send me your list of sound bonds.

NAME

ADDRESS

ARNOLD BROS.' NEW FINANCING NOW ARRANGED

Company Will Operate 74 Stores in Ontario and Quebec

First mortgage bonds of Arnold Brothers, Ltd., amounting to $1,300,000 and bearing interest of 6 per cent., are being offered by Wood, Gundy and Co. This issue, it is understood, completes the financing in connection with the acquisition of Arnold Brothers, Ltd., of the old Arnold Co., and the business of A. Martin, Ltd., the latter being formerly controlled by Wm. Davies Co.

Under the merger, the new company will operate 74 retail stores, of which 48 are situated in Toronto, 14 in Montreal and the remainder in other important retailing centres in Ontario. Some of the stores at present are dealing in both groceries and meats, but later on it is proposed to equip all stores to deal in both commodities.

The company, with its predecessors, is one of the oldest chain store organizations in Canada, the business of A. Martin, Ltd., having been founded over fifty years ago. Fifty freehold properties are owned by the company located in Montreal, Toronto and other cities. Earnings have been satisfactory over a long period of years and it is felt that the unification of the two organizations will result in substantial savings in operation costs.

Balance sheet of the new merged company, after giving effect to present financing, shows current assets of $639,966, and current liabilities of $113,974. Capital assets and deferred charges are placed at $2,400,633 and $189,633, while deferred liabilities and capital stock total $3,115,810. Balance sheet as of January 31st, 1927, is as follows:

Assets

Current Assets—		
Cash on hand and in bank .... $	424,156.47	
Acts. rec.	9,800.36	
Adv. on mer. pur. ..	6,872.22	
Merch. inv.	199,136.98	$ 639,966.03
Capital Assets—		
Land, Buildings, Equipment and Leases at deprec. values, as per appraisals of Sterling Appr. Co. Ltd...	2,267,401.88	
Equipment and impr. (not incl. in appr.), at cost	133,232.06	2,400,633.94
Deferred charges ...		189,185.04
		$3,229,785.01

Liabilities

1st mtge. sk. F. gold bds. $1,500,000 Ser. A, 6% bds, due		$600,000
Current Liabilities—		
Acts. payable		113,974.37
Deferred Liabilities—		
1st. mtge. sk. fund gold bds. auth. $2,500,000 Issued—6 per cent. bonds due 1947		1,300,000.00
Capital Stock—		
Pref. stock (authorized, $2,500,000)	1,011,500.00	
Co. stock, 81,500 shs., no par value (authorized 150,000 shs.) ...	804,310.64	1,815,810.64
		$3,229,785.01

Particulars of the present issue are:

$1,300,000

Arnold Brothers, Ltd.

First Mortgage 6% Sinking Fund Gold Bonds (20 years—series A)

Dated Apr. 1, 1927. Due Apr. 1, 1947.

Business—Chain stores handling groceries and meats.

Properties—Operates 74 retail stores in Montreal, Toronto and other centres in Ontario; 50 freehold properties.

(Upon completion of present financing).

Capitalization—

	Authorized	Outstanding
1st mtge. bonds	$2,500,000	$1,300,000*
7% cum. conv. pfd. shs.	2,500,000	1,011,500
Com. shs. (no par val.)	150,000 shs.	81,500 shs.

*Series A.

Earnings—Year ended Dec. 31, 1926, $170,561—equal to more than twice interest requirements on first mortgage bonds (this issue).

Assets—Fixed and current total $2,926,624, equal to more than 2¼ times par value of first mortgage bonds.

Sinking Fund—$20,000 annually for first five years and $40,000 annually for next fifteen years, together with annual amounts equal to interest on all bonds redeemed.

Restrictions—Trust deed prevents company from redeeming capital stock (except redemption of preferred stock by sinking fund) or paying dividends on its common stock if current assets fall below a sum equal to 25 per cent. of principal amount of bonds then outstanding, or the sum of $250,000, whichever is the greater.

Security—Direct obligation of Arnold Brothers, Ltd., and secured by specific mortgage and charges on all company's real and immovable properties and by a floating charge on all other assets, present or future.

Offered—By Wood, Gundy and Co., at 99 and interest, yielding over 6.08 per cent.

Will Make Stock Issue on Armour Heights Realty

Plans for one of the most ambitious real estate developments ever undertaken in Toronto are now practically completed by Robins, Ltd. Project calls for the improvement of 20,500 front feet of property north of the city known as Armour Heights. The work will be carried out by a newly organized company, which has been capitalized at $850,000, divided into common shares of $100 par value, an offering of which will be made to the public within the next few days.

Proceeds from the stock issue will be used to discharge a mortgage of $240,000. Balance will be applied to grading of land, at present unimproved, laying down sewers, water and gas mains, erection of lighting fixtures and other necessary improvements. The principal street will be called Mason Boulevard and will be a replica of the Champ d'Elysee in Paris.

Rigid restrictions are being laid down as to the class of building which may be constructed in the subdivision. All residences will be of the detached type and minimum cost of dwellings will range from $10,000 to $35,000. A number of lots have already been sold and it is stated that once improvements are made there will be little trouble in disposing of the remaining property.

Everything is in readiness to start on the development and it is expected that by midsummer work will be in full swing.

Small Block of Milan Bonds Offered in Canada

A small block of City of Milan 6½ per cent. bonds, external loan of 1927, are being offered to the Canadian public by Dominion Securities Corp. This is part of a $30,000,000 issue subscribed to by an American syndicate.

Milan is the second largest city in Italy, being exceeded in population only by Naples. It is one of the most important commercial and financial centres of that country and includes among its principal industries the manufacture of electric equipment, silk and cotton goods, leather and rubber products, and motor cars. It is a converging point of the principal railroads of Europe, via Simplon and St. Gothard tunnels. The financial importance of the city is indicated by the fact that the three largest Italian banking institutions have their main office in Milan.

The bonds are being offered at 92, and accrued interest to yield 7.19 per cent.

HAYES WHEEL ISSUE QUICKLY OVERSOLD

Well-Known Auto Part Producer Affects Consolidation

A new issue of 7 per cent. cumulative stock of Hayes Wheels and Forging, Ltd., amounting to $650,000, was quickly oversubscribed when offered to the public this week by McLeod, Young, Weir and Co.

This company is the largest manufacturer of automobile wheels in Canada. It is a consolidation of the Hayes Wheel Co. of Canada, Ltd., with the Canadian Hardwood Co., and subsidiaries, and owns modern factory properties at Chatham and Merritton, as well as at other stragetic points in Ontario. The company manufactures wood and metal disc automobile wheels, hubs, rims, front and rear axle assemblies, carriage and wagon wheels, etc., and, in addition to supplying the leading motor car manufacturers in Canada, has a large export trade with Great Britain and other European countries, Australia, New Zealand, South Africa, India, and South America.

Changes made in the tariff in 1926 whereby automobile manufacturers get the benefit of a drawback of 25 per cent. of the duty on parts they import, provided 50 per cent. of the cost of producing the finished car is incurred in Canada, is of special value to the company. The policy of Imperial preference, by which tariff concessions are given to cars of which a substantial proportion of the cost is represented by Empire materials and workmanship, also works to the advantage of the company and gives it a commanding position in the Empire markets.

Details of the issue follow:

$650,000

Hayes Wheels and Forgings, Ltd.

7% Cumulative Sinking Fund Pref. Stock

Business—Automobile wheels (both metal and wood) and other motor vehicle parts.

Assets—Net tangible as at January 1st, 1927, were $1,936,835, equivalent to $298 per share of the preferred stock.

Sales—Have increased from $987,120 in 1917 to $3,824,703 in 1926, or over 287 per cent.

Earnings—Averaged during past three years, after providing for depreciation and fixed charges, $29.51 per share on the preferred stock.

Sinking Fund—Beginning April 1, 1928, of 10 per cent. of net profits available for common dividends is provided for redemption of preferred at or under par and accrued dividends. If stock not obtainable at such price, sinking fund is to be maintained as reserve.

Protective Provisions—Strong protective provisions are made for the holders of this stock

Management—There will be no change.

Purpose of Issue—Redeeming outstanding stocks and bonds of constituent companies, for improving capital structure and for effecting amalgamation of several businesses.

Capital—

	To be Authorized	To be Outstanding
1st mortgage sinking fund gold bonds	$1,500,000	
Series A, 6% bonds, due Apr. 1, 1942....		$600,000
7% cum. sinking fund pref. stock ($100 par)	1,500,000	650,000
Com. stock (with par value)	100,000 shs.	50,000 shs.

Listing—Application will be made to list common and preferred on Toronto Stock Exchange.

Offered—MacLeod, Young, Weir and Co., at a price of 100 and interest, with a bonus of 3 shares of common stock with every 10 shares of preferred. Fractional shares of common stock will be adjusted at $25 a share.

According to the secretary of the Okanagan Tobacco Growers' Association, the acreage to be planted about Kelowna this year will be 250 acres; at Oliver 90 acres and at Vernon approximately 40 acres.

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OFFER BONDS OF SPRUCE FALLS CO.

Large Issue of New Power and Paper Concern Floated

An offering of $13,000,000 5½ per cent., first mortgage serial bonds, of Spruce Falls Power and Paper Co., is being made by an American and Canadian syndicate, the Canadian end being handled by Wood, Gundy and Co., and Aird, MacLeod and Co.

This company was organized a short time ago and is controlled by Kimberly-Clark Co., of Neenah, Wis., and the New York Times Co. In May, 1926, the company acquired a sulphite mill of 115 ton daily capacity, which has been in operation over five years, and a 2,500 h.p. hydro-electric plant in operation for the past four years. Extensions and improvements to the properties, including construction of fifty-mile standard gauge railroad, fifty miles of power transmission lines and plant to increase capacity of sulphite mill to 230 tons daily, have been under way during past twelve months and are now nearing completion.

In addition, company has long-term leases from the Province of Ontario of several undeveloped water powers, the largest of which is now being developed. The provincial government has also granted pulpwood rights on about 4,700 acres of timber limits, estimated to contain a supply sufficient to meet the company's maximum capacity requirements for 35 to 40 years.

Details of the issue are as follows:

$13,000,000

Spruce Falls Power and Paper Co.

First Mortgage 5½ per cent. Serial Gold Bonds Dated April 1, 1927 Due $500,000 semi-annually Oct. 1, 1930 to Apr. 1, 1943, inclusive.

Security—First mortgage on all real estate now owned or hereafter required, including newsprint, groundwood pulp and sulphite mills, railroad, hydro plants, water and timber rights and all equipment and machinery.

Ownership—Entire stock capitalization is owned by Kimberly Clark Co., of Neenah, Wis., and New York Times Co.

Location — Kapuskasing, Ont., 360 miles northeasterly of Sault Ste. Marie and 550 miles northwesterly from Toronto.

Output—Sulphite mill will soon be producing 230 tons daily, and plant with rated capacity of 550 tons of newsprint paper.

Power—Owns under long term leases undeveloped water powers of 140,000 h.p. Plant now being erected on Mattagami River, with rated capacity of 75,000 h.p; initial, 56,000 h.p.

Contract for Output—Kimberly Clark will purchase entire surplus output of sulphite and New York Times has contracted to purchase newsprint of about 50 per cent. of mill capacity.

Capital—

	Authorized	Outstanding
1st mtge 5½% bds.	$25,000,000	$15,000,000
1st pref. stock 7% cum.	6,500,000	6,500,000
2nd pref. stock 7% cum.	5,500,000	5,500,100
Com. stock (no par) shs.	200,000	200,000

Earnings—Net, after taxes and depreciation and before income tax, estimated, based on operations of completed properties, at $2,867,000; 3.4 times maximum interest requirements this issue.

Purpose of Issue—Proceeds this issue required for working capital and to complete present building and improvement program and at least $13,000,000 will remain with First Trust and Savings Bank, Chicago, in trust, to be paid out by it only upon construction certificates.

Management—Under supervision of Kimberly Clark Co.

Listing—To be listed on the Chicago Stock Exchange.

Offered—By syndicate composed of First Trust and Savings Bank, Continental and Commercial Co., Illinois Merchants' Trust Co., First Wisconsin Co., Halsey, Stuart and Co., Wood, Gundy and Co., and Aird, MacLeod and Co., at a price of 100 and interest, yielding 5.50 per cent.

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We recommend
WOLTHAUSEN HAT Corporation Limited
Common Stock at $20.00 per Share
Write for particulars
McFetrick & Co.
Investment Securities
232 St. James St., Montreal

INVESTMENT BONDS
HIGH-GRADE PREFERRED STOCKS
Williams, Partridge & Rapley, Limited
171 ST. JAMES ST., MONTREAL

New Issue
QUEBEC SOUTHERN POWER CORPORATION
Common Stock
No Par Value
PRICE - $27.50 per Sh.
Application will be made to list these shares on the Toronto and Montreal Stock Exchanges.
Matthews & Company Limited
255 Bay St. - Toronto

K. H. Kompfe & Co. LIMITED
Investments
330 Bay St. Toronto Adelaide 3331
Dom. Savings Bldg., London Telephone 8077

McDonagh Somers & Co.
Government and Municipal Bonds
Dominion Bank Building
TORONTO
Canada

Government Municipal and High Grade Corporation BONDS
H. R. BAIN & Co. Ltd.
371 Bay Street, Toronto
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CLAIM $1,500,000 IS GOODWILL ITEM OF WALLACE FISH

Balance Sheet Shows B.C. Subsidiary Not in Robust State

NEW DIVIDEND IS $1.25

Shareholders Get 1 Per Cent. More Than Paid in 1926; Parent Company Makes Large Loan

British Columbia Fishing new common stock of no par value has been placed on a dividend basis of $1.25 annually. The directors at their meeting April 12 are reported to have not been unanimous as to this dividend, the more conservative wing, headed by Æmilius Jarvis, being in favor of paying only $1 on the new stock.

At the same time, the initial quarterly dividend on the new 7 per cent. preferred stock was declared. The sum of $300,000 was set aside for dividend payments for 1927 out of 1926 earnings. The dividends on the preferred accrue from March 1, 1927. Payments will be made June 10, September 10, and December 10, 1927, and March 10, 1928.

Higher Than in 1926

Dividends of 7 per cent. on the preferred and $1.25 on the common are the equivalent of 6 per cent. on the old ordinary stock. The split authorized by the shareholders was one-half share of new preferred and two new no-par common for each old ordinary share of $100 par value. Five per cent. dividends were paid last year.

Æmilius Jarvis has been re-elected president of the company. A. C. Flumerfelt has been elected first vice-president and Sir Henry Pellatt, second vice-president.

The balance sheet of B.C. Fishing for 1926, about which there has been much controversy, showed earnings of $499,295, so that dividend payments totalling $300,000 will leave $199,295 to carry forward in surplus account. At the time of the publication of the annual report there was much discussion as to the position of Wallace Fisheries. Mr. Jarvis stated that the earnings of that company were $177,000, but that no portion of this sum could be applied to dividends of B.C. Fishing because the position of the affiliated company did not warrant the declaration of a dividend. The auditors did not include B. C. Fishing's share of these profits in the balance sheet of the parent company. At that time B.C. Fishing owned 86 2/3 per cent. of the stock of Wallace Fisheries. Since then other blocks of shares have been acquired, bringing B.C. Fishing's ownership up to 98 per cent.

Wallace Balance Sheet

What purports to be an authentic balance sheet of Wallace Fisheries, including the income account and the report and comment of the company's auditors, Peat, Marwick, Mitchell & Co., has come into the possession of The Financial Post. This balance sheet does not reveal Wallace Fisheries to be in a very healthful state, financially.

About the first item which is likely to be noticed by those critically inclined is the capitalization of goodwill at $1,500,000, although the total assets of the company are only $4,236,021. It is also apparent that the working capital of the company is somewhat low. Current assets are given at $1,139,453, while current liabilities are $1,014,910, leaving a working capital of $124,543.

B. C. Guarantees Loan

Current liabilities included, as at December 31, 1926, bank loans of $595,000 which were secured under section 88 of the bank act and the guarantee of B.C. Fishing, and advances from the parent company to the value of $302,922.

Current assets included $3,136 cash on hand, $144,413 in accounts receivable, goods on hand to the market value, less sales commission, of $786,589 and stores, nets, cannery supplies to the value of $233,064.

Scows and boats owned by Wallace Fisheries are valued in this balance sheet at $7,166.54, while real estate, buildings, cannery plant, furniture and fixtures are considered to be worth $1,409,137.

Wallace Fisheries also has a subsidiary company, Wallace Diesel-Ships, Ltd., in which the parent company's investment is valued at $100,300, and to which an advance has been made to the amount of $9,348. These boats are mortgaged for $150,000.

Nothing For Depreciation

The auditors direct attention to the fact that no amount had been appropriated for depreciation during 1926. The reserve for depreciation now stands at $672,360. A contingent liability in the form of customers' bills discounted at bankers totals $12,370.

The capital stock of the company is carried as a liability to the amount of $1,615,000, representing the issuance of 16,150 shares, of the total of 20,000 authorized.

Wallace Fisheries has a bonded debt of $576,800, in the form of 6 per cent. first mortgage bonds. With reference to this, the auditors make this notation:

By formal resolution, unanimously passed at a meeting of holders of the six per cent. first mortgage debenture stock held on December 8, 1925, the trustee was authorized to waive the deposit with him of $37,500 on December 10 in each of the years 1925 and 1926, required by the trust deed to be made for purposes of stock redemption, on condition each year that a sum at least equal to said amounts shall be expended on additional cannery property, which condition has been fulfilled. By resolution passed on the same date certain power boats and scows owned by the company were to be released from the security of the trust deed upon deposit, with the trustee for the debenture holders, or certificates of the fully paid and non-assessable stock, duly endorsed in blank, of a subsidiary company formed to acquire said power boats and scows; which stock was to be held by the trustee as further security for the monies due and becoming due under the trust deed. As at December 31, 1926, the certificates for shares in the subsidiary company referred to had not been deposited with the trustee.

It is understood that these certificates have since been deposited.

The surplus account which accompanies the balance sheet is for the thirteen months ended December 31, 1926. It follows:

Surplus as at November 30, 1926			$294,601.99
Deduct:			
Par value of 1,150 shares voted to former managing director per resolution of shareholders dated April 22, 1926	$115,000.00		
Formation expenses Wallace Diesel Ships, Ltd., borne by Wallace Fisheries, Ltd.	303.08		
			115,303.08
			$179,298.91
Add:			
Profits for period from November 30, 1925, to December 31, 1926 (including dividend $15,005.13 received from subsidiary company) before charging interest, maintenance costs and income taxes		$345,999.84	
Less:			
Interest and discount	$67,658.88		
Maintenance costs	86,939.29		
Income taxes—Estimated	13,749.86		
		168,348.03	
Net profit for period from November 30, 1925, to December 31, 1926			$177,651.81
Surplus as at December 31, 1926			$356,950.72

As in the balance sheet for B. C. Fishing, the usual practice is departed from in that inventories of goods on hand waiting to be sold have been valued at market price less allowances for commission on sale and handling charges. Goods in process, it is also noted, have been valued at determined cost to the company.

New Brunswick is expecting to receive a larger share of the season's immigration than usual as a result of Maritime Provinces' arrangements with the Imperial authorities.

JOHN R. MEGGESSON,
Of the new firm of Hickey, Meggesson & Co., stock brokers.

Dominion Coal Breaks Record

From Our Own Correspondent.

SYDNEY.—By an ironical co-incidence, just at the time it is threatened with liquidation, because of its position as a subsidiary of Dominion Steel Corporation, and indirectly of Besco, the Dominion Coal Company has completed the most prosperous March that it has experienced for many years.

The output last month was 402,317 tons of coal, which is double that of March, 1926, and a complete contrast to the usual condition of idleness at this time of year.

The complete Besco output was 520,639 tons, also a record for March.

The outlook is for capacity production for many months to come; with a further prospect that when the Federal subsidized coking plants are built in Central Canada, there will be a permanent increase in output of 500,000 tons annually.

ASBESTOS CORP.'S PROGRESS STEADY, NOT SPECTACULAR

Earnings in Current Year Should be Materially Better Than in 1926

From Our Own Correspondent.

The Abestos Corporation is making steady progress. The results which the management is obtaining are not such as to warrant any extravagant hopes for the immediate future course of earnings, but progress has steadily and satisfactorily been made.

The demand for asbestos during March and April has declined as the manufacturers of the mineral make a habit of purchasing in large quantities during the first two months of the year. Sales during March and April of this year may show some decline from the first two months of the year, but should exceed the figures of the corresponding months in 1926.

The actual showing made by the corporation in its first annual report covering the eleven months period ending December 31, 1926, showed earnings on the common stock of a little over $1 per share; but it is understood that the corporation's allowance for depreciation was decidedly more than liberal and thus there are many, intimately acquainted with the operations of the asbestos corporation, who feel that the actual earnings during the eleven months period amounted to probably just under $2 per share on the common stock.

Benefits Were Delayed

While the corporation came into being on February 1, 1926, yet the benefits of the merger were not really felt until June of that year because manufacturers of asbestos prior to that date were well aware that merger negotiations were taking place which would ultimately lead to an increase in the price of the mineral. Thus manufacturers in the States at the beginning of 1926 were well stocked up with their asbestos requirements and until June of last year the demand for the raw material did not begin to pick up. Thus, what with poor demand early in its fiscal period, coupled with the various handicaps incidental to consolidating the various asbestos properties, earnings were principally made in the latter half of the corporation's initial fiscal year.

For the current year it is thus anticipated that earnings on the common stock will show a satisfactory increase as compared with 1926. It is felt that earnings applicable to the common this year may be double those of 1926 or in other words, perhaps, even with the conservative accounting policies which the corporation pursues, earnings may come to almost $4 per share.

The Price Situation

The consolidation of the various asbestos properties, led as was anticipated, to an increase in the price of the raw material. But this increase in price as revealed by the government export figures is decidedly smaller than many anticipated. The present price at which asbestos sells, secures the corporation a profit on its output. Before the consolidation of the various properties, contracts were oftimes closed at below cost price in order that some of what are now the component mines of the corporation might be prevented from shutting down.

The rise in price simply means that the Asbestos Corporation is assured a fair profit on its entire output. Incidentally, any rise in prices above such a figure would not appear to be in the ultimate best interests of the corporation for price increases naturally tend to restrict the market for asbestos and asbestos products.

The status of the common shares of the corporation is exactly what it has always been, namely, a satisfactory speculation for a long hold. There seems to be nothing which would indicate any immediate rise in the shares. With the quiet but steady progress which the corporation is making, over a period of a year or two there is apparently every possibility for an appreciation in the stock. The common shares are, of course, a purchase for a business man.

Tenders and By-laws

April 22, Cobalt, R. C. Separate School.—$15,000, 5 per cent., 20-year. Province guarantees principal and interest.

SASKATCHEWAN

Authorizations granted by the local government board, from March 26 to April 2, 1927: Schools—Brownville, No. 4677, $3,600; Round Hills, No. 3704, $1,200; Scout Lake, No. 3604, $7,500; Paragon, No. 2466, $10,000; Nestledown, No. 4686, $3,500; Viewfair, No. 400, $1,600; Golden Ridge, No. 656, $5,500; Crooked Valley, No. 2122, $1,000; Portreve, No. 3028, $4,000; Old Settler, No. 2317, $1,800; Maple Green, No. 28, $4,810; Mora, No. 3154, $2,500; Deer Lodge, R. T. Co., $1,500; Eastleight, R. T. Co., $3,400; Ballcarres, Village, $5,000; Gravelbourg, Town, $5,000; Lanigan, $16,500.

Debentures Reported Sold

Star City, R. T. Co., $10,500, 15 years, 5½ per cent., M. Lindquist, Star City. Glenrose, R. T. Co., $4,500, 15 years, 5¾ per cent., Houst and Willoughby, Regina.

This Week's Bond Sales

City of St. John

The investment houses of Johnston and Ward, Montreal, and T. M. Bell and Company, of St. John, have been awarded the 70,000 city of St. John, 5 per cent. bonds of 30 and 40 years' maturities at the highest price the city has received for some time, being 102.277 for the forty-year, and 101.877 for the thirty-year bonds.

Other bidders were: Royal Securities Corporation, 101.50, for both maturities; Eastern Securities Co., 101.53 for both maturities J. M. Robinson and Sons, 102.17 for the forty-year, and 101.79 for the thirty-year.

Province of Quebec

The Dominion Securities Corporation was the successful bidder for $4,000,000 Province of Quebec bonds.

Alternative bids were requested for: (a) 30 year 4½ per cent. bonds payable Canada and New York, or (b) 1 year 4 per cent. notes payable Canada and New York.

The long term bonds were awarded at 99.031; a basis of 4.56.

Bids received were as follows:

	Montreal Payment, Optional Delivery Montreal or N. Y. 4½% 30- yr.	4 % 1-yr.
Dominion Securities Corp. Dillon, Read and Co., Bankers' Trust	99.031	99.165
Bank Canadienne Nationale, Blair and Company, Continental and Commercial Trust, Canadian Bank of Commerce, R. A. Daly & Co.	98.9241	99.1852
A. E. Ames and Co., Wood, Gundy and Co., Chase Securities	98.90	......
Bank of Montreal, Hanson Bros., McLeod, Young, Weir and Co.	98.584	99.371
Harris, Forbes and Co., National City and Guaranty Co.	98.07	99.22
A. E. Ames and Co., Wood, Gundy and Co., Royal Bank of Canada, Chase National Bank	....	99.43

No New Developments in Canadian Converters

From Our Own Correspondent.

MONTREAL.—No new developments in the Canadian Converters Company are responsible for the recent exhibition of strength displayed by the shares. The fiscal year ends at the close of the current month, and it is understood that, whilst sales for the first eleven months of the year have been a little in excess of the 1926 year, yet the company has experienced keen competition, especially with some of the smaller producers of the lines which this Canadian Converters manufactures. The company produces shirts, collars, cotton dresses, whitewear and underwear, all of which are largely made from cotton textiles.

While sales during the current year have been somewhat better than during the last fiscal year, yet, due to the competition, no particularly substantial increase in gross or net profits for the year ending April 30, 1927, is anticipated. On the other hand, the company eliminated from its balance sheet at the end of the first seven months of its fiscal year its total bonded indebtedness which, in April, 1926, amounted to $199,000. Thus, interest and sinking fund requirements of the bond issue should show a decline during the current year and, in future, income accounts will be entirely eliminated, as the property is now owned outright by the shareholders. Canadian Converters has no liabilities ranking senior to its capital stock, which is carried on its books at $1,733,500, against which it has fixed assets and investments of $2,163,036.

MEGGESSON-HICKEY JOIN

Form New Stock Brokerage House in Montreal and Toronto

A partnership has been formed by W. P. Hickey, of W. P. Hickey & Co., Montreal, and John R. Meggesson, of Citizen's Bond Corporation, Ltd., Toronto, to conduct a general stock brokerage business under the firm name of Hickey, Meggesson & Co., with offices in the Royal Bank Bldg., Toronto, and Insurance Exchange Bldg., Montreal.

The business and management of W. P. Hickey & Co., and Citizens Bond Corporation, Ltd., are not effected by this partnership and will continue as heretofore.

Mr. Hickey is a member of the Montreal Curb Market.

Immigration into the United States from Canada so far in 1927 shows a substantial decrease as compared with the same months of 1926.

Unlisted Bonds

	Bid	Asked
Abitibi P. & P. 6s, 1940	104	105
Algoma Steel 5s, 1962	29½	30½
Alberta Pac. Grain 6s, 1946	97¾	98½
Anticosti Corp., 6½s, 1941	102	103
Bell Telephone 5s, 1955	101½	101⅞
Belgo. Can. Paper 6s, 1943	102	102⅝
Brandram Henderson 6s, 1936	97½	99¼
B. C. Pulp & Paper 6s, 1950	83	87
Brompson P. & P. 6s, 1946	99⅝	100
Burns P. & Co. 6½s, 1943	103¼	104¼
Calgary Brewery 5s, 1942	88	90
Calgary Power 5s, 1940	92¾	93¾
Canada Lt. & Pr. 5s, 1949	93¼	94⅛
Can. Nor. Power 6½s, 1941	101¾	102½
Canada Paperboard 7s, 1937	98	99
Can. Steamships 5s, 1943	99¼	99¾
Can. Steamship 6s, 1941	98¼	98⅝
Can. Steel Fndry, 6s, 1936	104½	105½
Davies, Wm., 6s, 1942	93½	94¼
Dominion Iron 5s, 1939	28	30½
Dominion Power and Tr. 5s, 1932	96¾	97¾
Dominion Textile 6s, 1949	106½	108
Drummond Investment 6½s, 1938	99¼	100¼
Duke Price Pr. 6s, 1966	105⅛	105½
East Kootenay Pr. 7s, 1942	103½	104½
Elec. Development 5s, 1933	100⅛	100⅝
Famous Players 6½s, 1943	99	100¼
Fraser Co. 6s, 1950	98⅝	99¼
Gatineau Power 5s, 1956	97½	97¾
Gatineau Power 6s, 1941	100⅜	100¾
Howard Smith P. & P. 6s, 1941	104	104⅝
International Paper 6s, 1941	98⅛	98¾
King Edward Hotel 7s, 1944	89	92
Lake Superior P. & P. 6s, 1941	106¼	107½
Laurentian Pr. 6s, 1936	103¼	104½
Laurentide Pr. 5½s, 1946	101¼	102
Maple Leaf Mfg. 6½s, 1943	103¾	105
Maritime Tel. & Tel. 6s, 1941	103½	105
Manitoba Pr. 5½s, 1951	99¼	99¾
Mattagami P. & P. 7s, 1949	112	116
Mercury Mills 6½s, 1942	100¾	101¾
Mont. L. H. & Pr. 5s, 1951	99¾	100¼
Mont. Pub. Service 5s, 1942	99	99⅝
Nor. Can. Pr. 6s, 1945	101	102
Nor. Can. L. & P. 6s, 1946	100⅞	101⅝
Nor. West Utilities 7s, 1938	99	99¾
Nova Scotia Steel 5s, 1959	59	62
Nova Scotia 6% Debs.	32¼	34¾
Nova Scotia Tram. 5s, 1946	92	93½
Nova Scotia Tram. 7s, 1952	99½	100¾
Ont. Pulp & Paper 6s, 1931	109½	111
Ottawa Hull Pr. 6s, 1948	103½	104½
Ottawa L. H. & Pr. 6s, 1953	105	106
Ottawa Trac. 5½s, 1953	101½	102
Ottawa River Pr. 6½s, 1953	102½	103
Port Alfred P. & P. 6½s, 1943	101¾	102½
Price Bros. 6s, 1943	103¾	104⅝
Prov. Lt. Pr. 5s, 1946	100¼	101¼
Page Hersey 6s, 1946	102	103
Quebec Pr. 6s, 1953	106¾	107¾
Rio Tramway 5s, 1935	95¾	96⅛
Sao Paulo Tram. 5s, 1929	98	98½
St. Lawrence Paper, 6s, 1946	97¼	98
St. Maurice Pr. 6½s, 1953	107⅞	108½
St. Maurice Valley 6s, 1945	99	100¼
Shawinigan W. & P. 6s, 1950	105¼	106
Simpson, Robt., 5s, 1952	95	96½
Simpson's, Ltd., 6½s, 1945	103¼	104
Southern Can. Pr. 5s, 1955	98¾	99⅜
Spanish River P. & P. 8s, 1941	106¾	107⅛
West Kootenay Pr. 6s, 1943	103½	105
Ottawa Mont. Pr. 6½s, 1949	102¼	103⅛
West Pr. of Can. 5s, 1949	97	98

BOND MOVEMENTS OF THE WEEK

Week Ending April 11

Bonds—	Int. Rate	Due	Yield	Range, 1926 High	Range, 1926 Low	Range, 1927 High	Range, 1927 Low	Ask	Bid	Latest Price High	Latest Price Low
Asbestos	6	1941	5.35	..	..	101½	96¼	101¾	101⅛	93	92¾
Can. Cement	6	1929	5.27	103	100½	102¼	100½	..	101	101½	..
Mont. Power	5	1933	5.00	99½	99½	100	99½	..	97	100	99⅞
Mont. Tram. "A"	5	1955	5.24	95	92½	97¾	94¼	99½	99⅛	96½	95¾
Wayagamack	6	1951	5.07	100⅝	90	100	97	99	..	99	..
War Loan	5	1931	4.65	100.40	100.35	101.85	101.00	101.45	101.30	101.15	......
Do.	5	1937	4.55	104.95	102.75	104.20	102.95	103.50	103.25	103.25	103.10
Victory	5½	1927	4.55	102.50	100.15	101.00	100.25	100.60	100.50	100.50	100.25
Do.	5½	1933	4.75	106.35	103.20	104.80	103.90	104.35	104.20	104.30	104.05
Do.	5½	1934	4.92	104.40	102.65	104.05	103.15	103.70	103.65	103.75	103.55
Do.	5½	1937	4.62	109.30	106.70	108.00	106.90	107.35	107.20	107.10	107.00
Do., Renewal	5½	1927	4.55	101.95	100.00	100.80	100.20	100.65	100.45	100.65	100.30
Do., Renewal	5½	1932	4.90	103.85	102.00	103.45	102.45	103.40	103.15	103.15	103.00
Do., Refund	5	1928	4.60	101.35	99.00	101.45	100.00	100.65	100.45	100.45	......
Do., Refund	4½	1940	4.61	96.95	95.60	99.20	96.60	99.55	99.05	99.20	99.05
Do., Refund	5	1943	4.78	102.80	101.10	103.00	102.30	102.95	102.70	103.00	102.40
Do., Refund	4½	1944	4.59	97.15	95.70	98.90	98.05	99.95	99.05	98.90	98.05
Do., Refund	4½	1946	4.60	96.90	95.65	99.50	96.70	99.55	99.05	99.50	98.65

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Sold To—	Rate	Maturity	Amount	Price	Cost Basis
		Municipal					
Saskatchewan Phones	Apr.	Various	5½ and 5¾%	15-yr.	$15,000	..	..
		Provincial					
Quebec	April	Dominion Securities Corp.	4½%	30-yr.	$4,000,000	99.031	4.56

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Garment Centre Capitol	April	Rene T. Leclerc and Geoffrion & Co.	6½%	1942	$600,000	90	...
Arnold Bros.	April	Wood, Gundy & Co.	6%	1947	1,300,000	99	6.08
Minnesota & Ontario Paper	April	Halsey, Stuart & Co., and Syndicate	6%	1950	5,000,000	100	6.00
Spruce Falls Pow. & Pap. Co.	April	First Trust & Savings Bank and Syndicate	5½%	Serial	13,000,000	100	....
State of New South Wales	April	Equitable Trust Co. and Syndicate	5%	1958	25,000,000	96¼	5.25
City of Milan	April	Dillon, Read & Co., and Syndicate	6½%	1952	30,000,000	92	7.19
Stock Issues—							
Massey-Harris Co.	April	Wood, Gundy & Co.	7%	Pref.	3,394,400	..	6.40

We deal in—
United Securities 6% Preferred Shares.
C.P.R. 4½'s............1944
Bell Telephone 5's.....1955
Belgo Paper 6's........1943
Belgo Paper 7% Preferred Shares.
Quebec Power Co. 6's..1953
Quebec Railway 5's....1939
St. Maurice Power 6½'s 1953
Wayagamack 6½'s.....1930
Wayagamack 6's.......1951
Montreal Tramways 5's 1941
Montreal Tramways 5's 1955
Laurentide Power 5½'s.1946
Duke-Price Power 6's..1966
Manitoba Power 5½'s..1951
Gatineau Power Co. 5's.1956
Gatineau Power Co. 6's.1941
Anticosti Corporation 6½'s...............1941
Anticosti Corporation 7% Preferred Shares
Canada Steamship Lines 6's...........1941
International Paper 6's 1955
International Paper 6's 1941

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Insurance for Buyer and Seller

FRATERNALS GAIN GROUND THEY LOST BY ADJUSTMENTS

This Branch of Insurance Has Turned Corner, Figures Show

That fraternal insurance in Canada has definitely turned the corner, and is well on the way to recover some of the prestige that it held in former days, is well borne out by the figures published by insurance department at Ottawa, covering the experience of dominion-licensed companies during the year 1926. The new insurance written by foreign and Canadian companies in Canada during the past year amounted in all to $30,560,901, an increase of nearly $9,000,000 or 41 per cent. over the amount written in 1925. This increase is almost entirely attributable to the Canadian companies writing this class of business, as the foreign companies only increased their business written, by a little more than 2 per cent.

At the end of 1926 there was a total amount of fraternal insurance in force in Canada amounting to $193,265,807, of which the greater proportion was held by Canadian companies. The Canadian companies have been steadily improving their position since 1924, and now have in force $135,723,963 as against the record of foreign companies whose total at risk stands at $57,541,839.

Thrive in Local Communities

Evidently fraternal insurance is best done by domestic companies, the records showing that foreign companies have made little or no progress in Canada during the last few years, and that Canadian companies are by the same token losing ground in other countries, while continuing to do a thriving business at home. Perhaps the cause is found in the inherent nature of the friendly society which thrives among local communities where friendship and fellowship are most easily cultivated, and where the close proximity of the home office makes itself most readily felt. Out of 55,000 members in all parts of Canada, the I.O.O.F., the largest Canadian order, has more than one-third of its membership within a close radius of the head office at Toronto.

It is now many years since the fraternal societies made any radical adjustments in their rates and evidently the criticism and indifference of this form of protection, has fairly well shot its bolt. Undoubtedly fraternal insurance offers many advantages to its members and now that the men who formed the bulk of the membership in former years have realized that cut-rate protection can only lead to insolvency, there seems to be a new enthusiasm throughout Canada for this double service of fellowship and protection. The beginning of 1927 saw a clean sheet turned, and the last vestiges of the old methods of assessment were wiped out by the company which writes the largest amount of this class of insurance in Canada.

When Rates Were Raised

The wiping out of the old score by the Independent Order of Foresters, calls to mind the history of this society in the year 1908 when the initial adjustment in rates was made to bring the premium income of the order in line with the actuarial requirements of the time. After that year, all who entered the order were charged on the new basis which was nearly double the old schedule. Those who already composed the membership refused to pay the higher assessment, with the result that a compromise was made and the higher rate was charged against the policies of the members instead of being collected as extra dues. Further adjustments had to be made, however, the last of which was in the year 1913, but still the old members had to be appeased, and further concessions were made by additional levies on the cash value of the policies. Finally in 1926, the executive of the society decided that the time had come to call a halt with the result that a definite plan of exchange was enforced which made it compulsory for these old policies to be dropped.

Two alternatives were offered to the members thus affected. The first was that the old policies should be exchanged for new policies of about one-third of the face value of the old; the second allowed members to only reduce their insurance to two-thirds of the face value, and to make up the difference by paying higher premiums. This new plan came into effect in 1926 and has definitely closed the door on the old scheme of things which proved so disastrous to the societies. The first of these alternatives was the one that was generally accepted by the members of the society not residing in Canada, and is largely responsible for the fact that the certificates in force for Canadian companies, outside of Canada, dropped from $112,000,000 in 1924 to $107,000,000 in 1926, which was quite out of proportion with the 3,800 decrease in the number of policies during the same period.

Fraternal Side of It

The fact that one society has added free surgical attention to its list of benefits is an added indication that the friendly society is not by any means a thing of the past. By this benefit which (when it has become generally established) will become generally interchangeable in all the various courts of the order, the members of the society will without any extra charge be able to receive surgical attention, whenever they are in need of it. Add this benefit to the appeal made by the fraternal society to the gregarious instincts of mankind, and the society becomes a very real factor in the life of the man who cannot afford to belong to the more popular form of club which centres its activities around the functions "talk and eat."

In spite of the fact that the amount of life insurance written by the fraternal insurance companies, shows a marked increase for the year just passed, the sickness, accident and funeral insurance written by these companies, continues to decline. At present there is only a little over $100,000 of premiums annually with Dominion licensed companies, including $23,000 taken by Canadian companies on members living outside Canada. In Canada, the record for Canadian companies shows that 5,237 policies were written with these benefits, whereas over 11,000 such policies lapsed during the same year. The 1925 record was almost as bad, there having been 4,500 new policies written for 9,100 that lapsed.

There are twelve companies, Canadian and foreign, that write these benefits, and in 1926, premiums amounted to about $665,000 as against $697,000 in 1925. Of this amount about one-quarter was written outside Canada by Canadian companies. The two chief foreign companies that write this business are the Maccabees, who received $19,155 in premiums and paid out $23,000 in sickness claims; and the United Commercial Travellers, who received $25,995, as against $21,000 paid out for accident claims.

Five Years Record of the Fraternals

	*Canadian Companies	Foreign Companies
Premium Income		
1922	$ 2,975,751	$ 1,213,271
1923	2,764,717	1,216,173
1924	2,677,531	1,261,571
1925	2,685,091	1,184,988
1926	2,861,498	1,178,784
Insurance Paid For		
1922	$10,083,945	$4,795,800
1923	11,064,536	5,855,350
1924	11,248,618	6,273,200
1925	15,611,079	6,009,816
1926	24,401,966	6,158,925
Insurance in Force (Amount)		
1922	$132,952,353	$58,527,535
1923	132,021,670	56,092,389
1924	127,279,426	56,493,302
1925	130,318,622	56,238,069
1926	135,723,963	57,541,834
Claims Paid		
1922	$2,418,318	$ 909,970
1923	2,401,315	911,428
1924	2,325,812	819,332
1925	2,251,223	813,443
1926	2,527,687	859,923

*Canadian Company figures include only Canadian business.

1926 Fraternal Insurance Record

LIFE INSURANCE

Canadian Companies

	New business 1926	Total in force
Alliance Nationale—		
(a)	$ 3,777,000	$ 26,155,293
(b)	485,500	2,224,528
(c)	4,262,500	28,370,821
Anc. Order of For.	344,489	3,622,724
Artisans Canadiens-Francais—		
(a)	1,362,325	29,308,785
(b)	905,004	14,694,283
(c)	2,267,329	44,005,068
Can. W. of the World	388,000	5,488,630
Ca. Mu. Ben. Assoc.	507,250	5,995,404
Comm. Tr. Mu. B. So.	146,500	2,037,850
Ind. Order of For.—		
(a)	17,609,902	59,579,427
(b)	7,409,902	90,134,659
(c)	25,019,804	149,714,086
Gr. Or. L. of Br. Am.—		
(a)	266,500	3,535,850
(b)	......	34,000
(c)	266,500	3,569,850
Total, 1926—(a)	24,401,966	135,723,963
(b)	8,800,406	107,089,470
(c)	33,202,372	242,813,433
Total, 1925—(a)	15,611,079	130,318,622
(b)	10,445,651	110,971,900
(c)	26,056,730	241,290,522

(a) In Canada. (b) Out of Canada. (c) Total business.

Foreign Companies

	New business 1926	Total in force
Assoc. Canado-Amer.	$ 119,900	$ 2,366,545
Bro. of Am. Yeomen	572,500	1,331,976
Ca. Or. of For.	370,500	17,788,059
Exp. Mu. Ben. Assoc.	......	96,500
Jew. Na. Wks. Alliance	61,100	276,650
Kn. of Columbus	1,058,000	10,161,302
Kn. of Pythias	82,500	964,314
Ladies' Ca. B. Assoc.	7,000	334,500
Maccabees	1,888,000	7,270,121
Na. Fra. So. of the D.	18,250	91,750
Royal Arcanum	221,000	4,416,990
West. Mu. L. Assoc.	1,503,000	9,670,000
*Woman's Ben. Assoc.	245,925	2,334,649
Wo. Ca. Or. of For.	11,250	249,378
Workmen's Circle	......	189,100
Total, 1926	6,158,925	57,541,834
Total, 1925	6,009,816	56,238,069

* Formerly Woman's Benefit Association of the Maccabees.

SICKNESS, FUNERAL AND ACCIDENT

Canadian Companies

	Premiums paid by members	No. of certificates in force	Sick benefits paid
Alliance Nationale—			
(a)	$129,171	17,723	$130,452
(b)	10,467	1,230	9,021
(c)	139,638	18,953	139,473
Anc. Or. of For.	63,928	8,726	23,674*
Artisans Can.-Francais—			
Alliance Nationale—			
(a)	122,071	25,430	136,364
(b)	61,801	12,973	47,376
(c)	183,872	38,403	183,740
Can. W. of the W'ld.	6,379	1,049	5,515*
Ca. Mu. Ben. Assoc.	4,903	930	3,428
Ind. Or. of Foresters—			
(a)	159,439	23,244	133,600*
(b)	47,370	8,866	45,270*
(c)	206,809	32,130	178,870*
(a)	485,891	77,102	434,033*
Total, 1926—(b)	119,638	23,089	101,637*
(c)	605,529	100,191	535,900*
Totals, 1925—(a)	499,276	82,958	440,644*
(b)	134,071	24,274	106,988*
(c)	633,347	107,232	547,632*

(a) In Canada. (b) Out of Canada. (c) Total business.

* Includes funeral benefits.

Foreign Companies

	Premiums paid by members	No. of certificates in force	Sick benefits paid
Assoc. Canado-Am.	$ 9,404	1,816	$ 9,730
Jew. Na. Wk's All'nce	2,171	543	2,575
Maccabees	19,155	2,142	23,248
Na. Fra. So. of the D.	282	....	55
Un. Comm. Trav.	25,995	4,211	21,183*
W'kmen's Circle	3,156	554	3,428
Total, 1926	60,163	9,266	60,219*
Total, 1925	64,075	9,074	74,301x

*Accident benefit.
xIncludes accident benefit.

Lost: One Resolution in Good Condition

It is nearly ten months now since an interprovincial conference of provincial premiers and ministers of the crown convened at Ottawa. On that auspicious occasion, the following resolution (among others) was solemnly and unanimously passed by the representatives of six provinces which met there to discuss matters of mutual concern.

"This conference is of opinion that the Dominion should repeal its legislation regulating contracts of insurance and the business of insurance as ultra vires the legislative competence of the parliament of Canada, or, in the alternative, take immediate steps to appeal the decision of the Ontario courts to the judicial committee of the Privy Council."

But evidently the button has been lost, for last week in the Dominion house, Col. Young, the member for Toronto Northeast, asked Hon. J. A. Robb, what the Dominion government intended to do about this momentous problem, which cuts at the very vitals of Dominion control of insurance companies. Mr. Robb replied that as far as he was aware none of the resolutions of the interprovincial conference, said to have been held in June last, had ever been submitted by the conference to the government.

Metropolitan Life Book Tells Story of Company

By way of commemorating the opening of the new head office building at Ottawa, the Metropolitan Life Insurance Company has published an illustrated volume entitled "A Canadian Achievement," which traces the story of the Metropolitan Life in Canada during the past fifty-three years. The first Canadian office of this company was established in the Maritime provinces and later on offices were opened in Toronto, Hamilton, and other parts of Canada. Growth was evidently slow, for at the end of 21 years the company had only 14,136 policies in force amounting to $1,793,198, nearly all of which were industrial policies.

In 1894, an aggressive attack on Canada was conducted by Haley Fiske, who is now president of the company. Starting at Montreal, Fiske and his associates, made a drive for industrial insurance with the result that the insurance in force of this type, jumped from $1,793,000 to nearly $4,500,000 in less than a year. Since then the company has steadily expanded in Canada, with the result that in 1917, Canada was made a separate territory. At the end of 1917, insurance in force had jumped to more than $222,000,000, of which more than half, $112,477,000 was industrial insurance. At the end of 1926, the company had in force in Canada, over $704,000,000 of insurance, this time the amount of ordinary business exceeding the industrial business, by $46,000,000.

The company thus leads the life insurance field. The 2,350,000 policies in force on the company's books, insure over 1,500,000 individual lives. Similarly the company's assets have grown in Canada from $30,000,000 in 1917 to $137,000,000 at the end of 1926. The company also writes more policies in Canada each year than any other company writing business in Canada.

In regard to welfare work, the company operates 100 offices throughout Canada, which carry on a continuous service to policyholders. In 1926, over 850 visits were made every day of the year by the company's nursing service, in addition to the distribution of 2,500,000 health pamphlets.

Canada Life to Give Estate Service in West

The Canada Life Assurance Company announces that they are opening in Winnipeg, a department of estate analysis, wills and business insurance. A few years ago if this announcement had been made, life insurance men would have said, "Why don't they sell life insurance instead of wasting time with that sort of thing?" And the echo would have come back from the trust company men, "Why can't they mind their own business" But new days bring new opportunities and new institutions, and institutions which were unheard of in the United States seven years ago, are slowly spreading from East to West in the Canadian life insurance field.

Two men are to be in charge of this new department at Winnipeg, Richard Bingham and R. A. C. Manning, and it is the intention of the company to render to the business men of Winnipeg, a service which is developing with tremendous rapidity both in Canada and the United States. Commenting on the new development, Herbert Cottingham, the Winnipeg manager for the company, says the service has become necessary because of the ramifications of business, and of investments which render the making of a will no longer the simple matter that it was in past years.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities

	Apr. 8, 1926	Apr. 7, 1927
Halifax	$ 2,523,003	$ 3,894,245
St. John	2,533,616	2,423,067
Moncton	781,445	840,405
Sherbrooke	850,678	1,174,101
Quebec	6,088,114	8,459,776
Montreal	108,359,859	132,025,263
Kingston	709,295	969,338
Ottawa	6,295,390	7,624,179
Peterboro'	646,904	875,438
Toronto	135,950,661	119,993,920
Hamilton	3,956,163	5,865,844
Brantford	980,294	1,216,123
Sarnia	....	661,068
London	2,356,166	3,830,518
Kitchener	1,181,094	1,151,524
Chatham	....	857,541
Windsor	2,968,061	5,253,412

Western Cities

	Apr. 8, 1926	Apr. 7, 1927
Fort William	$ 646,309	$ 616,309
Winnipeg	33,508,366	46,068,065
Brandon	520,977	558,815
Regina	3,254,412	4,607,581
Moose Jaw	1,042,229	1,301,956
Saskatoon	1,726,574	1,991,397
Prince Albert	381,683	438,629
Lethbridge	450,344	607,123
Calgary	8,207,708	8,633,697
Edmonton	4,130,612	6,889,987
N. Westminster	647,777	783,249
Medicine Hat	262,735	327,778
Vancouver	14,529,158	17,423,564
Victoria	1,834,210	2,255,852

[Ad No. 3 in a series on Business Mortality]

How Long Does a Wholesale or Jobbing Business Live?

Do you sell to Wholesalers or Jobbers? If so, do you know how long your customers will "live"? Below are "experience tables" compiled by the Bureau of Business Standards of the Shaw publications. They represent a study of thousands of cases.

Bakery Goods	6.6 years
Boots and Shoes	10.0 "
Butter and Eggs	5.3 "
Cigars and Tobacco	6.5 "
Clothing	6.6 "
Confectionery	9.2 "
Dry Goods	7.6 "
Flour and Feed	7.6 "
Fruits	6.2 "
Groceries	10.9 "
Hardware	9.5 "
Lumber	7.4 "
Meats	6.5 "
Paints, Oils and Glass	6.1 "
Paper	8.5 "
Produce	9.5 "
General average for Wholesale Concerns	7.5 "

The average life of all your possible wholesale customers is only seven and one half years. Many of them are undoubtedly at this dangerous age *right now*. You can't know exactly when any particular one will fail, *nor can you prevent it*. But you *can* safeguard the monies due you—with one of our policies of Credit Insurance. A representative trained in your special industry will gladly tell you how.

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WATERLOO, ONTARIO
Assets (Dec. 31, 1926) $3,822,316
Reserves 2,422,896
Insurance in Force 33,050,441

How To Banish Fear
There are three elemental fears that haunt the mind and dog the footsteps of the average man.
They are:
Poverty in old age.
Poverty through physical disability.
Poverty for his dependents.
No man who has financial fear can be happy. No man who is unhappy can be fully efficient.
For these three forms of fear, life insurance is the great antidote.
Great as are the direct benefits, its indirect results by eliminating worry and releasing the full capabilities of the individual, are almost as great.
All insured men are not happy, but no uninsured man should be.
SUN LIFE ASSURANCE COMPANY OF CANADA
Head Office: Montreal

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Current Events in Banking World

SUGGESTS FIXING DEFINITE CHARGE FOR COLLECTIONS

Bank Man Thinks It Would Obviate Much of the Annoyance

By H. H. STEVENS,
Royal Bank of Canada, Virden, Man.

During recent years we have seen the banks subjected to criticism on various matters, and we still read articles by many writers who are continually pointing out defects, yet they do not offer any feasible suggestions toward obtaining satisfactory solutions to many problems involved. We are not, however, in this article, offering any opinions on the merits or demerits of the banking system as a whole, but we will deal with a subject which is a considerable factor in perpetuating dissatisfaction and misunderstanding on the part of the banking public, viz., the charges on cheques cashed at points outside the point drawn on.

There is no doubt that the exchange on cheques is a source of irritation, and the suggestions which we make, are with the view of assisting the public to better understand the necessity of the charges collected.

Should Stabilize Charges

As a matter of fact this dissatisfaction is brought about by the elasticity of the charges made, and we feel certain that a stabilization of charges would ameliorate the situation considerably.

Rates of interest are stabilized, as also charges on drafts and money orders, with the result that customers of the bank are fully conversant with the charge, and are satisfied. But in the case of cheques the rates run anywhere from par to ¾ of 1 per cent., the matter of the charge being at the discretion of the particular branch. The situation at present therefore allows too much juggling. A customer goes into a bank at a competitive point, and if the exchange asked appears too much the individual states that the other bank will do it for less. The chances are it will, and in order to retain the business the bank will cut its rate. This immediately displays a weakness which is difficult to overcome.

No Need For Wide Range

If the original charge was legitimate, why the elasticity in the range of rates? As a matter of fact a fair charge is absolutely necessary, and there should be no reason at all for a bank to reduce its terms on the mere threat of the opposition bank obligating itself to cash such cheques for a less fee.

We have often heard that it should not be allowed that a bank should charge a small premium for cashing cheques at points other than that drawn on, but if we analyze the situation carefully we can easily see what the transaction means, and we feel sure that when this article has been read, it will be the means of creating a better understanding as to the principle involved when a charge is made.

Advantages of Cheque

In the first place a cheque is a very convenient method of conveying money from point to point. Even though a cheque be lost it does not hold the same value as if it had been cash. A cheque requires endorsement, and identification which is a protection. Cash has no protection.

A cheque is also an excellent method of mailing money. It does not need registration, and serves a twofold purpose—a settlement and a receipt. If we were to send cash by mail, it would require registration — which would cost anywhere from 15c. to $2 or $3, depending on the amount, and then we would not have the knowledge of security that we have when a cheque is used.

Is Really a Loan

The next point to consider is this: a cheque cashed away from the point drawn on, practically amounts to a loan. When a cheque is presented it is a demand for payment, and the bank cashing the cheque advances the money to the payee on the strength of the drawer's name, or if the cashing bank does not know the drawer, it is familiar with the endorser. In any event the individual cashing the item has obtained an advance on a promise to pay, and this item might possibly be outstanding any period from 5 to 15 days. It is possible — and we regret very often—that this cheque may be returned "not sufficient funds" or "no account" or any other of the many reasons cheques can be returned for. This means that the endorser has obtained money from the bank when there was no money in the first place, to draw on. If the amount is large, we can easily see what benefit it must be to an endorser to have the use of money without having to pay interest.

Cost of Clerical Labor

The third point to bear in mind is the amount of clerical labor involved in a transaction when a cheque is cashed at a point other than that drawn on. Even though only one cheque is cashed, practically the same amount of clerical work has to be undertaken, as would be the case if numerous items of this nature were cashed. In the first place the cheque has to be entered on a special slip, separate from that on which local cheques would be listed. It then has to be checked and finally mailed. It therefore takes twice the length of time to clear that cheque, than to handle a cheque drawn on the cashing branch. Even then the work is not actually finished, for when it is received at the bank drawn on, it has to be entered in a special register, checked, and then put through the same procedure as though it had been a local cheque. In addition that cheque has to be credited to the cashing branch on a special slip and when that slip is received by the branch, duly credited to outstanding items, to complete the transaction. Making all allowances for postage, stationery, time and additional labor, the cost per cheque averages about 13c.

We can now begin to realise just what it means to the bank, when a branch cashes a cheque drawn on another branch, or another bank, situated outside the point of encashment.

Figuring the Cost

Let us presume that a cheque for $100 is presented, drawn on a point outside the place of presentation, and we will see exactly what it costs to clear.

Interest for 5 days at 8 per cent.	.11
Labor and stationery involved	.12
Postage	.04
Total	.27

The more cheques there are the larger the amount, the greater the labor, and consequently the operating cost will be higher, proportionately. From this we should be able to realize that there is every justification for a charge on cheques which are cashed at points other than the point drawn on. Now comes the question of a standard charge which is not exorbitant, yet will be sufficient to reimburse the bank for obligating itself to honor such cheques, and we would suggest that the following table might assist in perhaps forming a basis:

Suggested Table of Charges

1. Cheques drawn on the paying bank and cashed at a branch other than the branch drawn on .... ⅛ of 1%
   Minimum charge ....15c.
2. Cheques drawn on opposition bank's branches .... ⅛ of 1%
   Minimum charge ....15c.
3. Cheques drawn on competitor banks at competitive points .... ¼ of 1%
   Minimum charge ....25c.
4. Cheques drawn on competitor banks and cashed at non-competitive points .... ¼ of 1%
   Minimum charge ....25c.

Foreign cheques of any description would have to be subject to whatever rates are current at time of encashment.

Will Remove Dissatisfaction

The suggestions above refer to all banks in general, but each bank would have to print its own schedule of rates, as in the case of money orders, for the information of customers.

We feel certain that when the general public are given rates which are definite, and not left to the sometimes erratic bank clerks, that one of the principal causes of dissatisfaction will have been removed, and the banks by stating their charges, will be benefited considerably by encouraging a better feeling on the part of the banking public towards them.

Views of other bank men on this suggestion for a fixed schedule of charges for exchange on cheques would be welcomed and published, with or without the writers' names.—Editor.

Bank of Nova Scotia

J. A. McLeod, general manager of the Bank of Nova Scotia, has completed arrangements to open a branch of the bank at the corner of St. Alexander and St. Catherine Streets, Montreal. The location is in the St. James Building, at the north-west corner in the structure recently erected by the St. Catherine Street Realty Corporation in front of St. James United Church.

Staff Gossip

R. G. Raisbeck, of the Canadian Bank of Commerce, at Lougheed, has been transferred to Peace River. — Journal, Edmonton.

* * *

G. St. J. Webber has been promoted to the accountancy of the Paris branch of the Bank of Montreal.—Sun-Times, Owen Sound.

* * *

W. Anderson, manager of the Middleton branch of the Canadian Bank of Commerce, has been transferred to Bass River.—Chronicle, Halifax.

* * *

K. A. Keefe, who has been teller in the Bathurst branch of the Bank of Montreal, has been transferred to Saint John. H. W. Hailcoat, who has been relieving at the bank here for some time, succeeds Mr. Keefe.—Gleaner, Fredericton.

* * *

R. M. MacPherson, manager of the Bank of Montreal at Glencoe for several years, is being transferred to the bank at Frankford as manager. We understand that C. A. Norsworthy, of Toronto, a son of Mr. Norsworthy, manager of the Bank of Montreal at Alvinston, will succeed Mr. MacPherson as manager here. —Transcript, Glencoe.

* * *

E. B. Campbell, accountant of the Provincial Bank of Canada, Charlotte St., has received notification of his transfer to the Sackville branch as manager. Mr. Campbell has been associated with the Provincial Bank since his return from France, where he served during the war, and he has acted in the capacity of relieving manager.

Beverley Robertson, manager of the Sackville branch, will come to Saint John to take over the managership of the North End branch, succeeding Warren L. Gray, who goes to Pembroke, Ont. —Times-Globe, Saint John.

* * *

Announcement has been made of the appointment of Charles Arthur Roy as general manager of the Provincial Bank of Canada to succeed Tancrede Bienvenu, who was recently appointed first vice-president of the institution. The change becomes effective on May 1.

Mr. Roy has been in service of the bank nearly a quarter of a century and has been entrusted with a number of important positions in the institution.

Other appointments announced by Mr. Bienvenu were: L. F. Phille, formerly joint assistant general manager, as first assistant general manager, and J. A. Turcot, secretary of the bank, for some years past, as superintendent of branches, and in the future he will act in both capacities. J. E. Standre has been appointed chief inspector, a position which he has been filling in a pro tem capacity for the past two years.

* * *

Announcement is made following a recent meeting of the board of directors of the Provincial Bank of Canada of the appointment of Joseph deBoucherville, K.C., as a member of the board of commissioners-censors of the bank.

This board is now composed as follows: President, the Hon. N. Perodeau, Lieutenant-Governor of the Province of Quebec; vice-president, the Hon. E. L. Patenaude, P. C.; commissioners, Samuel Casavant, of the firm Casavant Bros., St. Hyacinthe; the Hon. Cyrille Delage, N. P., superintendent of the public instruction department of the Province of Quebec; J. L. Fortin, important merchant and harbor commissioner of the city of Three Rivers, and Joseph deBoucherville, K.C.

Tancrede Bienvenu, general manager of the bank for more than twenty-five years, has also been promoted to be first vice-president.—Star, Windsor.

* * *

The Dominion Bank announces that the following acting managers at the branches named, have been appointed managers: F. E. Havill, Davenport and Uxbridge branch, Toronto; C. L. Foley, Dundas and Runnymede branch, Toronto; J. J. Irwin, East Danforth branch, Toronto; Jos. Johnson, McCaul St. branch, Toronto; F. R. Dickinson, Yonge and Hayden Sts. branch, Toronto; J. W. Ritch, Yonge St. Terminal branch, Toronto; C. O. Bell, Main and Redwood branch, Winnipeg; and J. A. Macbeth, Guy St. branch, Montreal.

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Confer with our Trust Department for information.

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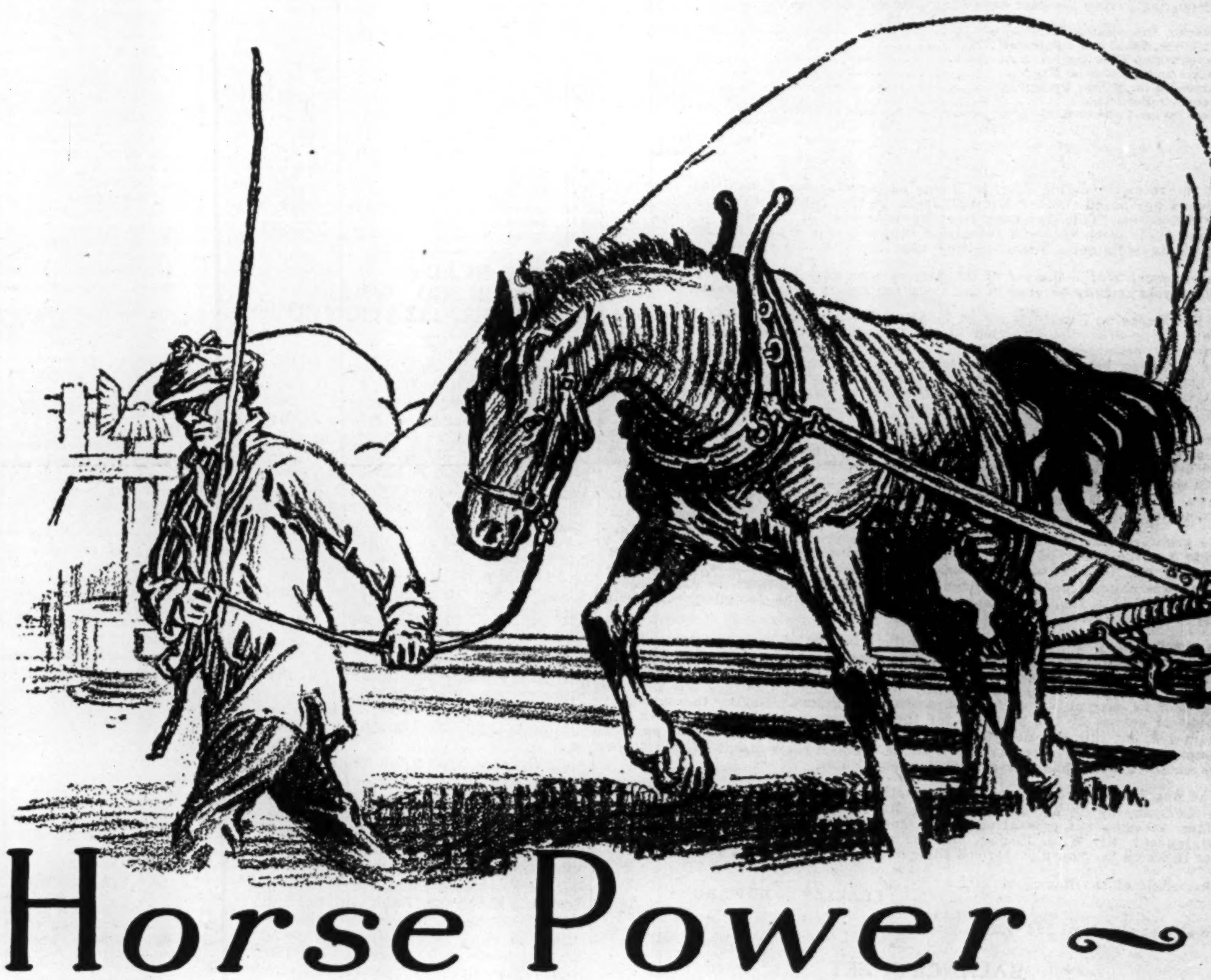


Horse Power

IT was a momentous day for mankind when brute-strength was first employed to do the work over which generations of men had toiled and perspired. First to be harnessed was the ox—and slaves no longer had to muster in their hundreds to perform herculean tasks.

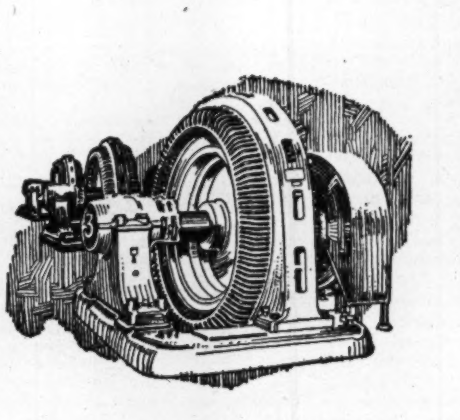
Then, as civilization progressed, the horse was pressed into service and turned the wheels of the world's machinery by such crude devices as that pictured above.

Later came steam—but the term "horse-power" continued as the unit by which the work was measured.

Now electricity is giving up its secrets, furnishing mankind the cheapest, the cleanest and the most convenient source of "horse-power" ever known. Vast strides in manufacturing follow. New industries grow with rapidity as manufacturing costs decrease. Natural resources are being developed as never before. Motors which will produce thousands of horse-power are now being used! In few other countries of the world has electricity been so widely developed as in Canada and for few other countries has electricity accomplished so much.

With almost unlimited water-power at her disposal, Canada has not hesitated to utilize electricity in practically every phase of her national and industrial life—making possible the establishment and the progress of great industries within her borders.

In furthering this Canadian programme of electrical development by the design and construction of motors, generators and all other types of electrical equipment, C.G.E. has built up in Canada a great electrical organization.



A part of the row of 2400 horse-power Synchronous Motors in a large Canadian Paper Mill—a typical example of C.G.E. Motors serving Industries in Canada.

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First Annual Report

Jay Copper-Gold Mines Limited

(No Personal Liability)

BOARD OF DIRECTORS:

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A. BERTHIAUME, Esq.	E. C. LEETHAM, Esq.
Dr. F. A. GADBOIS,	A. N. PAXTON, Esq.
CHARLES B. HOWARD, Esq., M.P.	S. REICHBACH, Esq.

HENRY J. STEWART, Esq.

Report of the Board of Directors for the Year Ending February 28th, 1927

To the Shareholders of Jay Copper-Gold Mines Limited.

On this the occasion of the First Annual Meeting of the Shareholders of this Company, your Directors beg to submit herewith their report for the year ended February 28, 1927, together with the following:—

(a) Balance Sheet—as at February 28, 1927.
(b) Statement of Expenditures on Development.
(c) Mine Operation Report.

Your Company was incorporated during the month of February, 1926, under the Mining Companies Act of the Province of Quebec. The authorized capital of the Company is 5,000,000 Shares, at $1.00 par value. The entire 5,000,000 shares were used for the purchase of certain Mining Rights and properties in the Townships of Dalquier and Clericy, Province of Quebec. These Mining properties comprised an area of 400 acres in the Township of Dalquier and 1,000 acres in the Township of Clericy. From the allotment of 5,000,000 shares the original vendor donated to the Company 2,500,000 shares to be used to provide treasury funds for your Company.

Finances.—2,500,000 shares of treasury stock were optioned to Mr. Samuel Reichbach, Montreal, to net the Company a total sum of $962,500.00. The success of every Mining venture is largely due to its financing, and we wish to draw to the special attention of the Shareholders the splendid services that the Company has received from its Fiscal Agent during the past year. Mr. Reichbach has always co-operated with the Directors to the fullest extent,—has always provided the funds as needed, and has assured the Company at all times that for any plan they might develop in the interests of the Shareholders he was able to provide the necessary finances. The Financial Statement included with this report shows that during the year ended February 28, 1927, 670,000 shares of this treasury stock were disposed of and the proceeds amounting to $162,722.51 deposited to the credit of the Company, leaving 1,830,000 shares still in the treasury, under option, the sale of which will produce for the Company a further sum of $799,777.49. The funds deposited during the year have been used as follows:—

Charter, Organization Expense, etc.	$ 6,478.75
Buildings, Plant and Equipment	20,831.61
Development Expenses	46,918.58
Stores and Supplies on Hand	1,720.00
Expended for Mining Properties	75,200.00
Accounts Receivable	52.98
Cash on hand and in Bank, after payment of Accounts Payable	11,520.59
	$162,722.51

On the recommendation of your Managing-Director and Consulting Engineer, your Board purchased further Mining Claims in the Township of Dalquier comprising 882 acres. This purchase lies two lots west of the present shaft and workings on the same vein and formation, which makes a present total holdings of 1,282 acres in Dalquier Township, and 1,000 acres in Clericy Township.

Development Work.—Report of the development work done on your properties during the year is fully covered in the operation report attached hereto.

In the Managing-Director's report he shows clearly the location of the mine, and we wish to draw the attention of the Shareholders to the great advantage this property possesses on account of its proximity to a real live town with all city facilities, being only four miles from the town of Amos. This enables us to operate very economically, and avoid the carrying of large stocks with consequent tying up of capital and wastage of supplies, as we can get nearly everything required locally.

Another point we desire to stress is the character of the Dalquier ore, which is known as self-fluxing ore, and therefore will reduce appreciably the cost of smelting our ore over that from other mines. The present operations are approximately 80 miles on the Canadian National Railway from the Noranda Smelter now under construction. When this Smelter is in operation we will be in a position to ship ore to it immediately.

We are sure that the Shareholders will all be proud that Jay Copper in its first year has the honor of being the first mine in northwestern Quebec to ship a carload of ore. This ore was run-of-mine ore from our No. 1 vein at the 200 foot level, and was shipped to the American Metal Company, Carteret, N. J., and gave a value of $15.20 a ton, which confirmed conclusively the sampling previously done by the Company.

In conclusion, your Directors feel that the holdings of your Company are of real potential value; that the development programme we have carried out was warranted by conditions existing on the property, and recommend to the incoming Board that the programme as outlined by the Managing Director for the coming year be carried out as fast as conditions warrant. During the past year an electrical survey of the property for the location of further ore bodies was contemplated, but this was delayed,—first, on account of the purchase of our No. 2 Group; and secondly, because we wish to have further proof of successful results obtained with this process by other companies.

The Board desires to express its appreciation of the splendid services rendered to the Company by its Managing-Director, Mr. H. J. Stewart, to whose foresight in a large measure our present success is due. We also wish to thank the Mine Superintendent, Mr. W. J. Hacker, and the entire staff of the Company for the manner in which they have performed their duties during the past year.

On behalf of the Board,

CHARLES B. HOWARD,
President.

Montreal, Canada, April 2nd, 1927.

BALANCE SHEET

As at February 28, 1927

ASSETS

Cash on hand and in Bank—		
Montreal	$ 13,310.63	
Amos	1,387.92	
		$ 14,698.55
Accounts Receivable		52.98
Inventories—Stores and Supplies		1,720.00
Buildings, Plant and Equipment		20,831.61
Mining Properties and Rights at cost	$5,090,200.00	
Development, Organization Expenses, etc., Expenditure to Feb. 28, 1927	53,397.33	
		5,143,597.33
		$5,180,900.47

LIABILITIES

Accounts Payable		$ 3,177.96
Deferred Payments on Property—		
Payable—May 1, 1927	$ 5,000.00	
Sept. 1, 1927	5,000.00	
Jan. 1, 1928	5,000.00	
		15,000.00
Capital Stock issued and paid up—		
5,000,000 shares at $1.00 par value		5,000,000.00
Working Capital—		
Amount received from Fiscal Agent as payment on option on 2,500,000 shares Treasury Stock		162,722.51
		$5,180,900.47

NOTE—Of the 2,500,000 shares Treasury stock under option to Samuel Reichbach, there are still on hand in the Treasury, 1,830,000 shares and lodged with the Eastern Trust Company.

We have audited the Books and Accounts of Jay Copper-Gold Mines Limited (No Personal Liability), for the year ended February 28, 1927, and we have obtained all the information and explanations we have required. In our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at February 28, 1927, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

R. SCHURMAN & COMPANY,
Chartered Accountants,
R. SCHURMAN, C.A.

Montreal, March 30, 1927.

Signed on behalf of the Board:
CHAS. B. HOWARD, Director.
H. J. STEWART, Director.

Francis J. Hunter & Co., Limited
Fiscal Agents
Suite 35, Mount Royal Hotel

FOREIGN EXCHANGES

No Need to Hold Pound by Credits

Conducted by S. J. ZACKS.

Last week's reactionary trend in the foreign exchanges continued unabated. Lire proved an exception, however, when it advanced sharply, touching the highest point in several years. Lire sold over the 4⅞ cents level.

Pesetas have weakenew considerably and sold down to 17.40. There was a speculative pressure on both pesetas and kroner which forced them down. A heaviness developed in sterling as a result of the British deficit and expectation of additional taxes.

The strength in lire is due to the approval of the appreciation of the lire by the Italian government. Industry and commerce, it is reported, showed no adverse effects, as a result of the rising lire. It is further reported that the treasury is no longer taking over the proceeds of foreign loans by Italian corporations. Borrowers are permitted to dispose of proceeds as they see fit. If this is true, doubtless there will be many large foreign borrowings and the lire will see higher prices.

The statement made by Chancellor Churchill that the Federal Bank and Morgan loans, incurred at the time of the resumption of gold payments, would not be renewed, occasioned no surprise. These credits were never used during the difficult period of the coal strike. The fact that these loans were there might be the reason that they were not used. Nevertheless it is felt that the test put to sterling and the manner in which it weathered the storm, was sufficient proof that the foreign credits would no longer be required.

New York Funds

	*High	*Low	Last year High	Last year Low
April 7	7-64	1-8	1-16	1-32
April 8	7-64	7-64	1-32	1-64
April 9	1-16	3-32	*1-64	*1-32
April 11	1-16	7-64	*1-64	*1-64
April 12	5-64	7-64	*1-32	*1-32

* Discount.

Sterling, Francs and Lire

	Sterling Close	Francs Close	Lire Close
April 7	4.85 11-32	3.91 1-2	4.81 1-2
April 8	4.85 11-32	3.91 1-2	4.82 1-2
April 9	4.85 5-16	3.91 1-4	4.81
April 11	4.85 3-16	3.91 1-4	4.84
April 12	4.85 1-4	3.91 1-4	4.87

FOREIGN EXCHANGE

Par		April 6	April 12
19.30	Italian	4.78	4.87
32.45	Brazilian	11.75	11.81
23.82	German	23.68	23.69
19.30	Belgian	2.78	2.78
84.85	Japan	48.75	48.85

BUYERS READY FOR BESCO WHEN CAPITALIZATION CUT

(Continued from page 1)

for an order for liquidation. If the court grants this petition, it will matter little to future purchasers of the property whether the liquidator is the Royal Trust Co., as suggested by National Trust, or whether another company or individual is named, or whether different liquidators are named for each division of the Besco structure. The liquidator or liquidators, it is considered, will be compelled by circumstance to scale down capitalization to the point where it will be possible to earn something like 10 per cent. gross on it.

Jumble is Puzzle

It is known that National Trust Co. has had a corps of statisticians and other persons working the Besco situation for many months. Other individuals also have given the question serious and prolonged study. But none so far has been able to determine either the actual or the potential earning power of the property which is the primary industry of Nova Scotia.

One of the first duties of the liquidator would be to determine exactly in what order the bond holders for Besco, for Dominion Steel, for Dominion Iron and Steel, for Dominion Coal and for the various subsidiaries are entitled to rank in the distribution of the proceeds of liquidation. This is somewhat involved because of the complicated structure of Besco. But a more involved question would be the actual worth of each producing unit from the viewpoint of earnings. The earning value will be the liquidation price and the liquidation price is apt in many instances to be at wide variance with the investment book value of each property. Millions have been spent on properties which never will be recovered.

When, or after, purchase had been made, the liquidator would have the difficult task of determining in what ratio the proceeds of the sale are to be distributed to the bond and shareholders. It is possible that in the sale of the properties there will not be enough cash to compensate bondholders in units of Besco which have not been paying their way.

Can Be Made to Pay

That a new Besco with a capitalization consistent with earning power can be made to pay, is the opinion of a number of persons who have studied the situation. With the financing done on a scale which would ignore the benefits of a bounty or customs duty, and with a bounty or customs duty helping the new organization in its formative stages, it is believed that the industry can earn its way and be in fact, as well as in theory, the industrial mainstay of the Maritime provinces, especially with some of the more comprehensive recommendations of the Duncan report in effect.

That the steel industry needs protection from outside competition, is evident from study of the stationary steel production, while the business of the country increases. It is only scant justice, in the opinion of advocates of some form of protection, that it should not be possible for Germany to manufacture steel from ore taken from properties owned by Besco and sell that steel in Canada for less than it can be sold by Besco or its subsidiaries.

It is a matter of some importance whether the steel industry is to get protection in the form of a customs duty, or whether the government will be content with subsidies which will have the effect of giving the Nova Scotia industry an advantage over its competitors in the central part of the Dominion by way of reduced freight rates, etc., in compliance with the the Duncan report, but in the face of the requests of the other steel companies for further protection from foreign competition, it is possible that a customs duty will be invoked which will be additional protection for Nova Scotia as well as for the steel producers in the central part of the Dominion.

Costs May be Low

While it has not been determined definitely, it is believed that the costs of production in the Maritimes under good financial and technical management are no higher than costs of production in other parts of Canada and that the equipment of the Besco subsidiaries compares favorably with the modern equipment in use elsewhere. If the equipment is economical to operate under the most modern conditions, the purchase price of the properties may be considerably enhanced thereby.

Under favorable freight rates and with water connections as far West as Montreal the greater part of the year, it is thought that the new Besco could compete with the other steel companies in the Central market and that a profitable coal trade can be revived, especially if coke from Nova Scotia coal finds a market through private enterprise.

Dominion Steel Corporation, excluding the operations of its subsidiary, the Dominion Iron & Steel Company, in the 1926 year earned a net of $1,938,404 after making provision for all charges, including one year's interest on the preferred stock of the Dominion Coal Company. This was submitted in the evidence of Roy M. Wolvin, the president of Besco.

Earned Its Dividends

Thus, while the dividends were not paid and the earnings went back into the company, it will be seen that earnings were equivalent to about 4½ times the requirements of the Dominion Steel preferred stock, which is now selling at around $21.

In other words, it is claimed that the Dominion Steel Corporation is decidedly more than solvent. Furthermore, the British Empire Steel Corp. itself has no debts, and holds all the common stock of the Dominion Steel Corporation. Thus is based the claim that the parent company is also solvent.

No Depreciation Charges

The National Trust Company is acting on behalf of the bondholders of the Dominion Iron & Steel Company. This subsidiary of Besco did not earn sufficient in 1926 to meet the interest on its consolidated mortgage bonds nor its depreciation charges.

Further, in the ultimate reorganization of Besco, be it carried through by the present management or by order of the Court, whether or not the Dominion Iron & Steel Company will be included in the Besco chain is said to depend solely on one factor, namely, what assistance is given the steel industry of Nova Scotia by the federal government during the present session of parliament. If no assistance be granted the Dominion Iron & Steel Company at the present session, it is said by those who know the situation, that Besco, if left under its present management, will lose all interest in the operations of this subsidiary, and that probably it will be wound up. There is the possibility that the consolidated mortgage bondholders would gain more by a sale of the assets rather than by taking common stock in a new company and endeavoring to produce earnings from the plant.

Some Bonds Guaranteed

Presuming that the Dominion Iron & Steel Co. be ultimately wound up, $4,600,000 of its consolidated bonds are guaranteed by the Dominion Steel Corporation. As the Dominion Steel Corporation, from its subsidiaries, chief of which is the Dominion Coal Company, is an earning proposition, it seems that the holders of the guaranteed consolidated mortgage bonds would be in a materially better position than the holders of the remaining $7,000,000 consolidated mortgage bonds.

Incidentally, the holders of the guaranteed bonds would hardly seem to be in a position to gain anything through the winding up of the Dominion Steel Corp. which guarantees some of these bonds and apparently has always been able to make money from its subsidiaries.

Shareholders Meet

The holders of the various classes of securities of the British Empire Steel Corporation met this week. The management did not submit to them any proposal for a reorganization of their chain of properties. No proposal could be submitted, for, in the first place, should the government decide to assist the steel industry of Nova Scotia in some way, undoubtedly Besco might at least consider the possibility of again working the steel property in conjunction with its other companies.

It seems certain that unless something be done for the steel industry, its future course and future operations are of little interest to Besco's present management, which, during the past few years, has carried a heavy load in fixed charges of this subsidiary.

The Dominion Steel Corp. owns all the common stock of the Dominion Iron & Steel Co., and the Dominion Coal Co., and several other smaller subsidiaries. The Dominion Iron & Steel Co. is at present being operated by the National Trust Company as receivers for the bondholders. Besco in turn owns all the common shares of the Dominion Steel Corp., and over $2,000,000 of the preference shares of the Dominion Steel Corp.

Sir Joseph Declined

Affidavits filed in Justice Chisholm's court in Halifax bring into the case the names of Sir Joseph Flavelle, E. R. Wood, Sir John Aird and S. H. Logan. These thus are identified with the National Trust Co. plans for liquidation and re-organizing as opposed to the plans of the Wolvin group. The Wolvin plans have resolved themselves into the so-called Hoyt plan of re-organization which was discussed at length in a recent issue of The Financial Post.

W. E. Rundle, general manager of National Trust Co., states in an affidavit that a meeting was held in S. H. Logan's office in the Bank of Commerce, Toronto, on May 10, 1926, which was attended by Mr. Wolvin, Sir Joseph Flavelle, E. R. Wood, Sir John Aird, W. S. Hodgens, of Dominion Securities Corp., and F. R. MacKelcan, counsel for National Trust.

Mr. Rundle's affidavit goes on to state that Mr. Wolvin explained the Hoyt plan in some detail and then turned to Sir Joseph Flavelle and asked him "as a leading citizen of Canada, to express his approval of that part of the plan which he had definitely put forward, stating his intention, if such approval were obtained, to go to Montreal and endeavor to obtain the approval of Sir Vincent Meredith, president of the Bank of Montreal, and that he would then be in position to go to his shareholders and ask them to approve of the said plan. Sir Joseph Flavelle definitely informed Mr. Wolvin that he could not approve of the plan, as did also Sir John Aird and this deponent."

Besco's Hold on Coal

This statement is corroborated by Mr. MacKelcan and Mr. Hodgens in affidavits also filed in Mr. Justice Chisholm's court, as were details of a further meeting held in the Bank of Montreal, Montreal, two weeks later, on May 27. Mr. Wolvin and F. H. Markey, K.C., general counsel for Besco, deny in affidavits that Sir John Aird was present at the second meeting.

An affidavit by Mr. Wolvin in opposing the petition for a winding-up order for Besco and all its subsidiaries makes the claim that as the Dominion Iron & Steel Co., now under the receivership of and being managed by, National Trust Co., obtains its supply of coal from Dominion Coal Co., the general receivership might result in Dominion Iron & Steel Co. obtaining a more favorable contract for its fuel. This part of the affidavit follows:

The Deponent says that the Corporation owns the control of the Dominion Coal Co., of which company he is president. The Dominion Coal Company, Limited, is under contract with the Dominion Iron and Steel Company, Limited, of which petitioner is receiver and manager, and said contract provides for the sale and purchase of coal over a long term of years. The price to be paid for the coal is subject to readjustment. The Dominion Coal Co. requires and has been negotiating with the Petitioner for a readjustment. A substantial difference of opinion exists between the Petitioner and the Dominion Coal Co., as to the proper price under the contract. Deponent further states that Petitioner may be able to secure a lower price for coal if the Dominion Coal Co. is in the hands of persons who have not had the years of experience possessed by the present officials of that company.

FOR SALE

Rolls Royce, 1911, five passenger sports touring car, new cylinders, rear and front windshield, spare wheel and tire, body finished in Duco, new top and side curtains.

Box 25 The Financial Post, Toronto, Canada

PENMANS LIMITED

Dividend Notice

Notice is hereby given that a Dividend of One Dollar ($1.00) per share has been declared on the New Common Stock for the quarter ending 30th April, 1927, payable on the 16th day of May to Shareholders of record of the 5th day of May, 1927.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, Que., 11th April, 1927.

PENMANS LIMITED

Dividend Notice

Notice is hereby given that a Dividend of one and one-half per cent. (1½%) has been declared on the Preferred Stock for the quarter ending 30th April, 1927, payable on the 2nd day of May, 1927, to Shareholders of record of the 21st day of April, 1927.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, Que., 11th April, 1927.

Supertest Petroleum Corporation Limited

NOTICE OF DIVIDENDS

"A" PREFERRED

The regular half-yearly dividend of three and one-half per cent. (3½%) on the Class "A" preferred stock of this Corporation has been declared for the half year ending April 30th, 1927, payable to shareholders on record April 20th, 1927.

Dividends on Treasury Stock purchased since November 1st accrue from date of issue.

"B" PREFERRED

The regular half-yearly dividend of three per cent. (3%) on the Class "B" preferred stock of this Corporation has been declared for the half year ending April 30th, 1927, payable to shareholders on record April 20th, 1927.

COMMON SHARES

The Board of Directors have declared a dividend of 25c. a share on the Common stock of this Corporation, for the half year ending April 30th, 1927, payable to shareholders on record April 20th, 1927.

LONDON, ONTARIO, April 10th, 1927

J.D. GOOD, Secretary-Treasurer

DIVIDEND NOTICE

NO. 79

Imperial Royalties Company announces that the regular Monthly Dividend of one and one-half per cent. (1½%) will be payable on April 30th to shareholders of record of April 25th.

This is Monthly Dividend No. 79, making a total of one hundred and thirty-nine per cent. (139%) paid to shareholders since organization in April, 1920.

IMPERIAL ROYALTIES COMPANY

By J. E. Horn

K.-H. Kompfe & Co.
Limited
Toronto and London, Ontario

MONTREAL TRAMWAYS COMPANY

Dividend Notice

Notice is hereby given that a dividend of Two Dollars and Fifty Cents ($2.50) per share, for the quarter ending 31st March, 1927, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record the 7th day of April, 1927, at 4 o'clock p.m. and payable on the 16th day of April, 1927.

By order of the Board.

PATRICK DUBEE,
Secretary-Treasurer.

Tuesday, March 29th, 1927.

ABITIBI POWER & PAPER COMPANY LIMITED

Dividend Notice

Notice is hereby given that a quarterly dividend of One Dollar and Twenty-five Cents ($1.25) per share has been declared on the Common Stock of the Abitibi Power & Paper Company Limited, payable the 20th day of April, 1927, to shareholders of record at the close of business the 9th day of April, 1927.

By Order of the Board,

W. H. SMITH,
Secretary-Treasurer.

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Ten years manager broking house but young, 35, Canadian, Protestant, healthy, energetic. Hitherto successful judgment, tact and personality. Right references and reason for change. Open as assistant to financial executive or some other promising responsibility. Reply

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"ONTARIO GOVERNMENT GUARANTEED DEBENTURES"

$12,761.94 of 5% annual installment debentures maturing from January 1st, 1928, to January 1st, 1945, are offered for sale up to April 20th, 1927, at 6 P.M. Schedule on application.

R. L. O'GORMAN,
Sec'y Cobalt Separate School,
Cobalt, Ont.

NOVA SCOTIA STEEL & COAL COMPANY LIMITED

BONDS

NOTICE IS HEREBY GIVEN that The Eastern Trust Company under the provisions of the Mortgage dated the first day of July, Nineteen Hundred and Nine (1909) to secure the Bonds of Nova Scotia Steel and Coal Company, Limited, will receive offers up to noon on Thursday, the twenty-eighth day of April, 1927, from persons willing to sell the whole or any part of the Bonds of the said Nova Scotia Steel and Coal Company, Limited, purchasable by a Sinking Fund payment of Seventy-three Thousand, Two Hundred and Ninety-six Dollars and Seventy-four Cents, ($73,296.74).

Parties offering to state the amount of bonds and price delivered at Halifax. This Company reserves the right to reject any and all offers in whole or in part. Bonds accepted must be delivered on May 5th, 1927, and interest on accepted bonds will cease on that date.

The Eastern Trust Company, Trustee,
184 Hollis Street,
Halifax, N.S.,
April 8th, 1927.

THE
A. W. Chase Company
LIMITED

DIVIDEND NOTICE

Notice is hereby given that the regular 2 per cent. quarterly dividend on the 8 per cent. preferred stock of this Company has been declared for the quarter ending May 1st, 1927, payable May 10th, 1927, to shareholders of record, May 1st, 1927.

By order of the board.

W. J. STONE,
President.

Toronto, April 12, 1927.

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Canadian Mining News

THE FINANCIAL POST

Vol. XXI. 10c. a Copy; $5.00 a Year PUBLICATION OFFICE: TORONTO, APRIL 15, 1927 Member of Audit Bureau of Circulations No. 15

CENT. MANITOBA SCENE OF GREAT MINE ACTIVITY

Developments This Year Should Greatly Stimulate Work

PLENTY OF CAPITAL

Tour of Over 400 Miles Soon Convinces Secretary, Manitoba Chamber of Mines, of Possibilities

After completing a tour of over 400 miles, covering what may be generally termed the Central Manitoba mining area, including Slate Lake, Long Lake, Rice Lake and the English Brook districts, L. D. M. Baxter, secretary of the Manitoba Chamber of Mines, reported that he is more than ever convinced of the mineral wealth of the province. He made a detailed survey of practically all the important properties in the district and his findings are of interest in that they indicate a greater development than is generally supposed.

In part, Mr. Baxter, reports of his trip as follows:

Our first stop was made at the plant of the Manitoba Power Company at Great Falls, where we were able to investigate and record the arrangements made for supplying the power to the Central Manitoba Field. Clearing of the right-of-way for the transmission line some 43 miles to the Kitchener has been practically completed and the majority of the poles erected. All the materials for the work have been delivered and distributed over the line, and a crew has been detailed to commence stringing the wires. Considering the country to be transversed, the progress made reflects credit on those responsible for the work. In conjunction with the power line a telephone line is being erected and the work on this has been sufficiently advanced to insure telephone communication to Long Lake before the end of April.

Inspects the Kitchener

From Great Falls we went direct to the Kitchener, the property of the Central Manitoba Mines, Limited. It is difficult to set forth briefly the amount of work accomplished by the owners of this property in what may be relatively considered a short space of time. We found, with the exception of the mill (the material for which is on the ground) complete buildings, both for the carrying on of operations and the housing and feeding of the men,

The camp itself is a hive of activity. After an inspection of the property on the surface, we were taken below ground proceeding first to the 125 foot level.

5,000 Feet of Workings

Returning to the first level, we descended by shaft to the 375 foot level, where cars were in operation clearing the ore that had been previously extracted. Here we had a view of the winze which has been driven 250 feet down from the third level, making a total depth from the surface of 625 feet. In all there are over 5,000 feet of underground workings with an average width of vein of from 4½ to 5 feet.

To visit the Kitchener is to be convinced that Manitoba has passed the investigation stage in mining and is on the eve of adding to no considerable extent to the fast climbing figures of Canada's yearly gold production.

From the Kitchener we drove nine miles to the Cryderman, the property of the Mining Corporation of Canada. Here we saw for the first time a diamond drill in operation. Considerable work has been done on this property

(Continued on page 19)

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Toronto Interests File on Oil Lands

What is probably the second largest filing coup in the history of the local land office was staged when Toronto interests filed on a block of 20,000 acres west of the Cypress Hills Forest Reserve, southeast of the city of Mecicine Hat. The largest single filing ever done was by O. G. Devenish of Devenish Petroleums, last June when he secured 80,000 acres on the Skiff structure now being proven by this Calgary operator.

HARVIE MINING CO. ROUYN OPERATIONS ARE PROMISING

Thompson, Archean and Harvie Claims Under Development

OVER $300,000 SPENT

Company in Position Where Results Will Soon be Apparent to Shareholders

As a result of three years of careful preliminary work, involving an expenditure of close to $300,000, Harvie Mining Exploration Co. is to-day in a position where results will soon become apparent to shareholders. The company is engaged on a very large scale program of underground exploration covering three distinct mining operations—the Archean, Harvie and the Ringrose—working three shifts a day on the first and two shifts a day on each of the other two. Mining machinery for the fourth operation, the Thompson, is already on the ground. Work on the necessary mining buildings is being pushed and the sinking of the Thompson shaft should begin within a week.

In a special bulletin on field operations at Clericy, Que., on the properties of the Harvie Mining Exploration Co., and Archean Mines Development Co., Dr. Robert Harvie deals with both company operations as one, in view of the merger soon to be consummated. He says that the first discovery of ore in the exact or commercial sense was made on the Archean property. The first section explored on the surface back in 1925 measured 145 feet in length, across which two trenches 90 feet apart gave in one case a channel sample across 17 feet averaging $12.90 in copper and $0.65 in gold and silver; the second across a width of 14¼ feet gave an average of $13.30 in copper and $0.64 in gold and silver. In each case the samples were taken from the bottom of trenches blasted into fresh rock at a depth of approximately four feet.

Sink Shaft on Archean

Following up the information thus obtained, it was decided to sink a shaft to determine the character and attitude of the ore body, as well as its continuity at depth. Work on the shaft began in April, 1926, and was carried to a depth of 55 feet. At this point three factors of the first importance became apparent: (1) The ore is closely associated with a tuff bed. (2) The tuff bed is continuous and stands vertical. (3) The ore is continuous to the depth attained in the shaft, with no evidence of diminishing in strength or value.

The quantity of ore exposed called for further sinking of the shaft and lateral work at depth. Before proceeding with further sinking of the shaft, however, it was decided to drift along the ore body at the 45 foot level, to determine its trend, this being an essential guide to operations at greater depths.

Drifting operation was carried to a distance of 100 feet to the southeast of the shaft, the ore being continuous to the point attained, and again without any indication of diminishing in size or value. At a point 56 feet from the shaft, a cross-cut showed a total width

(Continued on page 20)

PHENOMENAL RISE OCCURS IN COAST COPPER'S STOCK

Selling at 50 Cents a Share Year Ago, Now at $18

SMELTERS BENEFITS

Consolidated Has Put in $750,000 on Development Work, Which is Now Bringing Results

Some wild speculation is going on in the shares of Coast Copper which stock is listed on Vancouver Stock Exchange. Less than a year ago, The Financial Post pictured the possibilities of Sunlock and Coast Copper, both controlled by Consolidated Mining and Smelting and which it was thought would soon be opened. Coast Copper shares, then quoted at 50 cents are now selling at $18. The company has no funds and Smelters is exploring the property and to date has spent $750,000. It is not known what will be the position of minority shareholders, but it is evident that someone is taking a long gamble, unless Smelters is in the market to clean up the balance of the stock. An effort to try and trace the source of the buying failed.

The company is capitalized at $1,000,000, represented by 200,000 shares at $5. Of these shares Consolidated is reported to hold 110,000 and of the remainder Seattle interests are said to control 20,000. A $750,000 bond issue is also in the hands of Consolidated.

Valuable Strike Reported

One of the influences that sent Coast Copper stock up was a report, so far not officially confirmed, that a considerable body of high grade gold ore with a high platinum content had been opened up at the mine, which is in the Quatsino districts, northern Vancouver Island. The high grade ore, which was discovered in a pocket, according to the story, runs over $400 to the ton. The gold and platinum yield from that one pocket will more than pay for the development costs so far, and operations have been proceeding for two years. According to men who have looked over the property during the last few weeks, the mine has a copper deposit which is surpassed only by the lead deposit of the famous Sullivan mine at Kimberley, the Consolidated's biggest producer. Diamond drilling estimates place the value of the copper at Quatsino at between $35,000,000 and $60,000,000. Shipment of copper over a twelve-mile railroad to the coast will be commenced within a few months.

Now Smelters plans to open Sunlock. There has been much talk of Consolidated erecting a copper smelter on the coast when these two mines are developed. Certainly there is not sufficient tonnage available now for a copper smelter. It is understood that Dr. S. J. Schofield, University of British Columbia, has made a study of Sunlock, which is controlled to the extent of about 35 per cent. by Consolidated.

Smelters' New Mill for St. Eugene Dump Makes Good Progress

By DAN E. CUSHING,

MOYLE, B.C. — I just passed through here and saw that the new mill of Consolidated Smelters was making excellent progress. In the annual report this new mill was mentioned and it was indicated that it was built to treat the tailings in Moyle Lake and also the rock dump.

The St. Eugene here was one of the most remarkable ore bodies in the province, extending 1,700 feet up the mountain side. For years it operated on a basis of 500 tons a day and when just about through, Smelters took it over from its 25 shareholders. However, it was agreed by engineers that the best of the values went into the lake with the tailings and stayed there and that the extraction of the old mill was so poor that much excellent ore was thrown on the dump.

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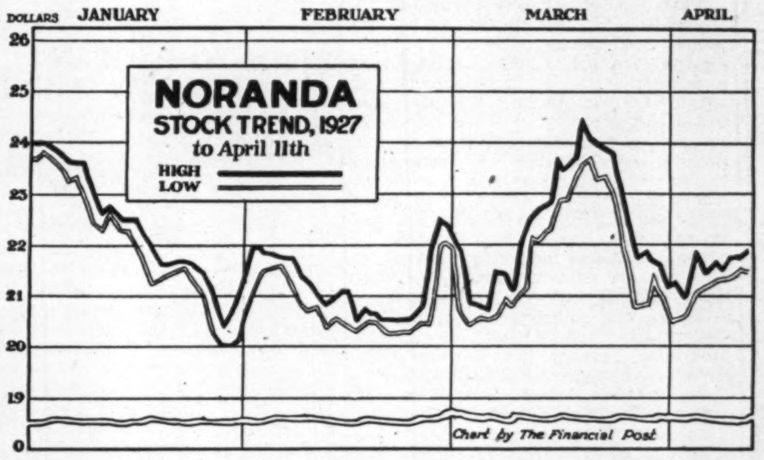

Talking $30 a Share for Leading Rouyn Stock Before Long

HUGE ORE RESERVES

Development Work This Year Will Result in Vast Improvement in Company's Position

Although the annual report issued by Noranda management, was not sufficient cause for any undue optimism over results attained last year, it is said that statements made therein were very conservative. The report shows some $25,000,000 for ore reserves without laying any particular stress on the speed at which this reserve can and will be increased during the next few months.

Those who have followed this company closely during the past year or two have not been disappointed and the volume of trading on the exchange would indicate that stock is securing a wide distribution, which will be held for a long hold and not on the chance of a quick turnover. Price trend for Noranda has fluctuated up and down with an evenness and consistency that is surprising. In the first three months of this year, for example, there have been three distinct upward swings. Moreover, low point in each succeeding decline has been less severe than the previous one, all of which indicates that despite reverses stock is climbing to higher levels. Two years ago the stock ranged from a low of $9.40 to a high of $15.50, while in 1926, the high was $21.00 and the low $12.00.

Trend Indicates $30 a Share

This year, the price trend is even more interesting and if experience of the past two years is duplicated, the stock will touch $30 or better a share by the end of 1927. An analysis of the price trend since the beginning of the year up to and including April 11, shows a drop in value of 25 per cent. from January 3rd to January 28th. That the stock was a good buy then, is evident from the fact that the price jumped $2 a share within three days. Then followed a relapse until the third week in February when demand again shot the price up to $22.50. The stock dropped back to $21.60 on profit-taking, but immediately started to climb to a new high of $24.45, which was followed by a marked recession to about $20.65 owing to a market depression in all Quebec stocks brought about by irregularities of trading in certain stocks.

Since the beginning of April, the stock has steadily climbed in value, with only a few minor setbacks, and last Monday ranged between $21.45 and $21.88.

Air Compressor Now Working

Further appreciation in value of Noranda stock will largely depend upon development work and results recorded during the balance of the year. Latest report on the mine is that the new 2,500 c.f. compressor mentioned in the last annual report, has now been turned ove and will be supply-

(Continued on page 20)

Prospector Represents High Type of Manhood

Should be Combination of Woodsman, Miner, Geologist, Business Man and, Above All, Possess Plenty of Initiative

By DR. W. L. and W. M. GOODWIN

Second of a Series of Articles on the Prospector and Prospecting.

A prospector is largely born, not made. He loves the free, stimulating health-giving life of the woods. He has an independent spirit, and so takes naturally to a life in which everything depends on his own initiative. He is inquisitive, patiently observant, and has a keen eye for country. To endure the fatigues of bush work he must have a strong constitution and a well-knit body. Unless he is to prospect alone—and this is mostly inadvisable—he must be companionable. A groucher is an awful nuisance, when one cannot get away from him. He must also be optimistic, but wise enough to temper his optimism with good judgment.

To all these qualities there must be added perhaps the most important of all—honesty. When one grubstakes a prospector, one is completely at his mercy. If he is so inclined, he may camp in a desirable spot and spend his time on everything but prospecting and yet his grubstakes might never know of it. Or the prospector may make a good find, cover it up, report at the end of the season that he found nothing worth staking, and later go back and stake it for himself. Most real prospectors can be trusted. The few that cannot, will, it is to be hoped, learn in time that in prospecting, as in other business, a man must go straight or he will not go far.

Prospector's Requirements

To these natural characteristics of a man who is a good prospector certain acquirements must be added. In the first place he must be a good bushman and canoeman. In Eastern Canada, once the roads are left behind, travel is mostly by canoe, and it is not a mere coincidence that so many good finds are made close to the innumerable lakes of Ontario, Quebec and Manitoba. Many of these lakes owe their existence to weakness in the rocks, and the same condition has led to deposition of minerals. So the prospector in Eastern Canada uses the canoe a great deal, but should not degenerate into a "canoe prospector", too indolent to make frequent traverses on foot across favorable country.

Should Know Minerals

It is becoming more and more evident that the Precambrian of Eastern Canada is a storehouse of most of the valuable minerals. If a prospector is to be able to take advantage of every chance he meets with, he should be familiar with a wide range of minerals, so as to know those of value when he comes across them. This gives him a discriminating eye, not only for valuable minerals but also for those of no value that may be characteristic of certain rocks. He should be acquainted with the various classes of rocks, not as a geologist is, but in a broad way. It is not necessary for a prospector to know the fine distinctions among rocks, but he should know the classification into sedimentary, igneous and metamorphic, something of the meaning of acid and basic as applied to rocks, and the valuable minerals that are associated with each class, for example, gold with the acid rocks and copper with the basic.

Mineral deposits often show their presence by certain surface signs, such as a rusty covering called gossan. Under such a covering a considerable number of valuable minerals may be found, but gossan may be formed by the weathering of minerals of no value. Such practical details as these should, of course, be familiarly known to the prospector, and his eye should be trained to quick perception of them, and also to certain features of the country that may indicate the possibility of mineral deposits covered by the overburden that conceals the greater part of the rocky surface.

To these qualifications should be added a knowledge of drilling and blasting and the use of the compass and the dip-needle and the miner's pan. Most prospectors can pan for gold, but there are details, such as roasting the sample and grinding it carefully, that are not known by all. Many prospectors do not know the platinum metals, and some good prospectors would probably miss the chance if they got a "tail" of platinum when panning for gold. However, a man with all the natural characteristics and the experience that make a good prospector can usually be trusted to look carefully into anything unusual that may come under his notice.

Do Not Know Values

Some prospectors are weak in estimating the value of a find, not having a wide enough knowledge of what will make a mine. Many mistakes are made through too narrow experience in this respect. A prospector who is accustomed only to the narrow silver veins will attach an exaggerated importance to a four-foot-wide body of hematite, and when he gets the truth about that, he might underestimate a four-foot-wide vein of solid galena. In a country like this where we have the greatest possible diversity of mineral wealth, a prospector's equipment of information must be correspondingly wide and complete.

Vancouver Group Buys Premier Extension Mine

By DAN E. CUSHING,

VANCOUVER. — Another important Portland Canal deal is announced. Premier Extension, one time taken over by Ottawa group and subsequently tied up in litigation has been taken over by Vancouver interests and will be developed. It was long contended by engineers that the dip of Premier's mineralized zone carried on into this property at depth.

This, with the advent of Smelters into the area and the possible consolidation of Premier with others, and a large consolidation into Bush Consolidated Mines and the starting of Dunwell mill, second in Portland, makes the camp stand out prominently.

Many New Companies Formed

As an indication of the trend of capital toward the mineral industries of Ontario, the bulletin records the fact that, during the past year, 121 new mining companies were incorporated in Ontario in 1926, with a specified nominal capital of $169,655,750. This is the largest number of such incorporations since the year 1919.

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It is one of the functions of this organization to finance prospectors. We have trained men working under capable direction. We are, therefore, in the best position possible to supply a reliable prospecting service to those interested in financing the search for minerals. As Dr. Goodwin says: "There are conditions under which the chances of profit to investors who will put their money into the search for mines are equal to or even better than the chances of gain provided in their exploitation."
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B.C. COAST RANGE MINERAL DEPOSITS COVER WIDE ZONE

Lack of Economical Transportation Hinders Part of Exploitation

It has long been known that a fairly broad area along the eastern contact of the Coast Range Batholith in British Columbia is geologically favorable for the occurrence of mineral deposits, states F. R. Kerr, of the Dominion Geological Survey.

This has been amply borne out by the discovery of many valuable ore deposits in areas adjacent to Portland Canal, Alice Arm, Atlin Lake, and at other points farther north and south. One of the serious obstacles to the development of the mineral resources east of the coast range has been a decided lack of economical transportation. At only a few places where the range is cut by long arms of the sea or great rivers, or traversed by railways, has it been feasible to develop mineral deposits profitably. This absence of transportation facilities combined with the physical character of the country has tended to discourage prospecting in which otherwise present considerable possibilities of reward. The Stikine River, though it has formed a highway of entry to the placer gold fields of the Cassiar for fifty-two years, has so far failed to be a means of developing that section of the zone along the contact through which it passes.

Tested for Placer Gold

During the Cassiar and Klondike gold rushes this area was probably tested extensively for placer gold. The bars of the Stikine River itself and of the Clearwater, a tributary which, rising to the northwest, flows along the base of the Coast range, yielded some gold. Incidentally, a few lode deposits of gold, copper and silver-lead-zinc were discovered and developed to a small extent. These deposits support the belief that this section of the contact zone may prove as rich as others which have already demonstrated their great worth. Some prospecting of the hard rock has been done, but on the whole the area is almost untouched.

Virgin Territory

Between Portland Canal and Atlin, two of British Columbia's rich mining camps, lies a virgin territory nearly three hundred miles long and of undetermined width which offers possibilities of producing camps like those situated at either end. This great area awaits the prospector and affords him a wonderful hunting ground, the sole disadvantage being that travel is difficult owing to the ruggedness of the country and the severity of the climate. Development should work outward from the routes of navigation, of which the Stikine River is by far the best. It crosses the margin of the Coast range batholith and flows within a short dissance of it for many miles, affording fair transportation facilities during five or six months of the year. The zone is also penetrated and cut by large tributary valleys.

Pioneer Crew Doing Surface Work on Clearwater Claims

Pioneer Mining Syndicate's crew working on the Clearwater Lake operations (east of Woman Lake) have widened the showing which led to the taking up of the options. Commercial grade across a 40-foot width has now been secured. The original show was $10 gold across 24 feet. Taking in the greater width has brought the grade below $10. Considerably more length has been added by the trenching work, which has been going on for some weeks. The material is very lively, well mineralized and the geological conditions are good.

Pioneer's work at the Cooper Gold Mines should shortly provide interesting news. The main vein has just been cut at the 300-foot level. No information on values is yet possible, but the width is there. The vein should be cut at the 200 in a few days. This vein developed one shoot of ore 450 feet long on the 400. A few months' work will permit a decision as to what size mill will be required for this operation, which is in the Michipicoten area.

Pioneer's work on Gaspe Peninsula lead properties are also at an interesting stage. The plant is now in and work of exploring three veins intersected in the tunnel will shortly start. A large diamond drilling contract is being let, and this type of exploration will be used to direct the driving of the tunnel.

Boston-Catharine Purchase Claims

Boston-Catharine Mines have purchased a group of nine claims in the Clearwater-Woman Lake area. The claims are located three or four miles northeast of the Manion-Jackson property. A number of veins have been discovered on the property recently and one of these is reported to have been traced for a distance of 1,200 feet.

Royalite Sets Up New Record

Official production figures for the month of February, given out by Imperial Oil, Ltd., confirm the recent rumor that Royalite No. 4—the natural gasoline gusher in Turner Valley, forty miles south of Calgary—has broken its own previous world record by producing 17,464 barrels of high-powered natural gasoline during the 28 days of the month in question. This production is at the rate of 638 barrels per day.

PLAN TO REOPEN LADYSMITH SMELTER

If Present Plans Materialize, Plant Will be Running by End of Year

From Our Own Correspondent.

VANCOUVER.—Plans for the reopening of the Ladysmith smelter this year by a Canadian British syndicate, already are stimulating the mining industry on Vancouver Island with important development work on Tyee and Mount Sicker copper mines near Duncan. The work is being carried on by Ladysmith Smelting as part of a general investigation of mining conditions preparatory to reopening Ladysmith plant as important factor in coast mineral situation. Ladysmith concern is financially interested in two mines near Duncan, ore of which it proposes to treat with other ores.

Meanwhile engineers are working on plans for reconditioning smelter. First work will be rebuilding smelter wharf to provide accommodation for ore-carrying ships and improvement of tramway used to carry ore up to plant. What other work will be done depends entirely upon general survey of mineral situation, which heads of the company are carrying out now. After they decide what ores will be available for use and quantities, company will know what process to install. It has under consideration various forms of treatment for silver, lead, zinc and copper ores.

Besides treating ores from mines in which itself is interested, the company plans customs operations to treat ores from other properties at various points along coast. When smelter will get under actual operation is not decided yet but this year will see the plant working. Meanwhile the company is continuing development work on Tyee and Mount Sicker copper properties, investigating other mineral possibilities and buying for treatment later. Negotiations for resumption of smelter operations have been carried on in England by Herbert Carmichael and H. B. Thompson of Victoria.

Lucky Jim Increases Capital To Provide For New Mill

Operations of the Lucky Jim Lead and Zinc Co. at Zincton, B.C., last year resulted in a gross revenue of $203,914, from which freight and milling charges of $94,427 were deducted, leaving a net value of $109,487. This equals an average net value per ton of $5.35 (mine run) at smelter.

The time has arrived, in the opinion of the management, when the company is fully justified in providing capital for the installation of a modern and large capacity mill of its own, located at the most advantageous point possible. This decision is amply sustained by the present ore resources of the mine, as a result of recent development work.

This decision is further reinforced by several independent engineers, who after a thorough examination of the mine, and analysis of present operating conditions, recommend that the site for the mill be at the mine itself, and that an initial capacity be provided sufficient to handle from 150 to 200 tons daily. It is estimated that on a basis of 150 tons daily a saving of $2.90 per ton (mine run) can be effected by installing the mill at the mine. This saving alone should repay the cost of such a mill within a year's time.

In order to provide ample capital for the construction of the new milling plant, it is necessary to do some additional financing and to this end the directors have recommended that the present capital be increased from 2,000,000 to 3,000,000 shares of the same par value, the additional 1,000,000 shares to be placed in the treasury of the company and the same authorized to be sold for the purpose mentioned.

During the year, the company acquired six additional claims, located to protect the downward continuation of the favorable limestone belt, thereby increasing the holdings of the company to about 575 acres.

Gold Discovery Reported in Slate Lake District

News of another big gold strike in the Slate Lake district was brought to Winnipeg when Joe Rasmussen, well-known prospector, reached that city with some rich samples of quartz. Like many another fortunate discovery, this one was made quite accidentally. Rasmussen and his partner, H. Gans, last fall staked a number of claims south of the Gem Lake Gold Mining Co.'s holdings, and east of the holdings of the G. X. Syndicate. The staking was largely on account of favorable location. During the winter months they got in supplies for a summer's prospecting on the property, and found two or three promising-looking leads. No great amount of work was done, however. A week ago they decided it was time to get out before the spring break-up was complete. There is a small, unnamed lake almost in the centre of their holdings, which are known as Big Jim group. The trail leads over a rocky hill, and Gans, to save the climb, went down to the lake shore to walk around the edge, and there found a promising-looking outcrop right on the border. They decided to put a shot in before leaving, and brought in a sample of the rock blown out by the charge. It was taken to Milton Hersey and assayed $127 in gold. Slate Lake seems to be the centre of much activity, as in addition to the group already mentioned, there is also the Pioneer group, adjoining the Big Jim on the south, on which considerable work is planned for this year.

Mining Inquiries

Premier

Please tell me where I can buy Premier Mine shares you spoke of in The Post recently.

If you desire to purchase Premier shares you should consult one of the strong stock and bond houses, of which there are several in your city. You will find their advertisements in The Financial Post.

Barry Hollinger

Will you please advise your opinion concerning Barry Hollinger?

Some important changes have taken place in Barry Hollinger for the better, it would seem. There is a new manager, skilled and experienced, and a new consulting engineer. Pres. Crow says in February the ore ran better than $10 per ton, 90 tons daily.

Jay Copper

What do you think of Jay Copper? Have they any ore? Is it a good investment?

Jay Copper has a rather attractive looking property in N.W. Quebec. Recently a car of copper ore was shipped to a smelter and the results of this test will give a good line on the value of the ore. It is a speculation, not an investment.

Isbell Logan

Who are Isbell, Logan? Are they a good house? They recently opened a branch in Halifax.

Isbell, Logan Company is an old promotion mining house that has been successful over a period of years in raising substantial sums for mining operations. Its predecessors were I. J. Isbell & Co., Isbell Plant & Company, Simons Agnew & Co.

Aconda

Will you kindly let me have your opinion of Aconda Mines, Ltd.

Aconda Mines, Limited property is a prospect in the Rouyn Copper Gold Area and is being developed under the supervision of very excellent engineers and in the camp it is generally regarded as having a very good chance. Of course, it is very much of a speculation.

Laval Units

I have been approached to buy Laval Stock Units. Would you kindly give us your advice on this investment, also the prospects for the future of the stock?

Laval has a large Quebec acreage and is making a real exploratory effort. The company is in good hands and looks like a speculation in which the public will get a run for its money.

Ore Chimney

I should like your opinion on the possibilities of the Ore Chimney mining stock, and whether it is a good buy?

Selling stock and talk about making a mine has been going on with the Ore Chimney group as a basis, for some 12 years, according to facts gathered from Ontario Department of Mines reports. It is not yet a mine. We cannot, in light of this record, recommend it.

Sylvanite-Argonaut

Will you kindly let me have your opinion of Sylvanite and Argonaut, respectively, at present prices for a hold for six months to a year?

Both Sylvanite and Argonaut have speculative possibilities. The former has its new mill about ready to produce and the latter is producing. With the short hold which you suggest taking, 6 months to a year, both may work out to be very profitable.

Rouyn-Boischatel

We would like to have your opinion on Rouyn-Boischatel mine.

Rouyn-Boischatel property looks like a fair speculation. Its holdings are well located and one group being explored under the supervision of an engineer of U.S. Smelting. The writer visited the latter property in February and found that several attractive showings had been opened up by a series of test pits. These are to be diamond drilled.

Fort Norman Oil

I hold stock in Mackenzie Basin Syndicate. Ft. Norman Oil drilled its leases. Do you know anything about them?

Our understanding is that all the Mackenzie or Fort Norman Oil concerns fell through, leaving the field entirely to Imperial, and that company is not operating there, having found that production was not sufficiently large to be commercial so far from the market.

Owens-Acme

Would like your opinion of Owens-Acme property and those behind it.

Owens-Acme owns a very good looking group in Porcupine Gold area. Well located and with promising showings indicated by the limited amount of work done. Engineers who have examined it speak well of its chances. The company also has a close in group in Red Lake that has possibilities.

Those in control are old timers in the north and stand well. They are concerned only with mining.

Osisko Gold

I would appreciate an opinion on Osisko Lake Gold Mine property. Kindly let me know if you think the property has any merits and if the management is sound?

It is difficult to size up "Osisko." They made an electrical survey and are now diamond drilling. They have closely guarded the results of the survey, but the tendency of the market indicates that it was a failure.

This stock was pushed up and talked about as having the extension of Noranda's ore bodies. Frankly, we cannot see how this could be, after having seen the Noranda ore bodies underground. Other than this the company has nothing but location. It might be said to have some merit on this point alone—that is all.

Area and Noranda

What do you think of Area as a speculation, in other words, how does it compare with Noranda at its corresponding stage of development?

It is impossible to compare Area with any stage of Noranda, because from the outset Noranda had a very attractive surface showing which was proven up for considerable depth in the third diamond drill hole. Area has not this attractive surface showing, and so far has nothing worth speaking about in the diamond drill hole. The electrical survey on Area indicated certain bodies of sulphite but so far the drills have failed to prove it.

Trethewey-Ossian

Could you advise me about the gold and copper mines of Northern Ontario, especially a mine just starting to be developed called Trethewey-Ossian Mines, Ltd.?

Trethewey-Ossian Mine is a prospect located in Boston Creek area. There is one producing gold mine in the camp—Barry Hollinger. The camp is yet to be proven as a gold producer and it is only recently that it came into prominence as a possible copper mining area, therefore any such operations are being ranked as prospects only.

Central Manitoba

I would appreciate your opinion and also any information you may have of Central Manitoba Mines Limited. Also your opinion of International Pickle as a buy for higher prices, their capitalization and number of shares issued.

Central Manitoba Mine shares look like an attractive speculation. The operation is in good hands and making good progress.

International Nickel is on a sound basis. In our issue of March 4 you will find a review of the annual report which will doubtless supply all the information needed.

Victory Silver

What do you think of Victory Silver? I see it was up to 96 in 1926.

Victory silver is getting good results—real high grade ore and we are informed that it is the best looking showing developed in Cobalt in the last 5 years. Public confidence is not strong in the venture because of a previous unfortunate experience, and that fact and the weakness of the silver market has kept the share market down. The highest in 1926 was 9½. In 1925 it reached 29½ on the report that diamond drilling cut high grade ore. It came out later that the drill cores had been tampered with and the market broke, leaving the public holding much high-priced stock.

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TECK-HUGHES PLANS TO STEP UP MILL OUTPUT

Plant is Now Handling About 420 Tons Daily — 600 by July

The new high on the Standard Exchange last week for Teck-Hughes, again draws attention to the extensive development work and good results being attained by this mine property. Teck is now handling around 420 tons of ore daily, yielding an average of approximately $18 a ton. The ore being handled at the new mill is grading higher—about $20—but the average is lowered by the old mill run. On this basis, a monthly production of $200,000 to $225,000 is being maintained.

Exploration work is being carried out systematically. Deepening of the shaft is making good progress, having now reached the 17th level at a depth of 1,980 feet. There remains only 250 feet to sink, and three stations to cut, in order to complete the present sinking campaign. By the middle of July sinking will be finished and various levels established all the way down to the 2,230-feet level. This will give access to six new levels—namely, 1,605, 1,730, 1,855, 1,980, 2,105 and 2,230 feet in depth. In view of the very favorable developments at the 13th (1480-ft.) or present lower level of development, it is difficult to restrain optimism with regard to what may be revealed at some of the half-dozen new levels to be established at this next stroke.

Mill Nearly Ready

Mill construction is progressing steadily. Completion of the second half of the first unit could be timed for the next few weeks, but such is not the plan. The object in view is to be in readiness to tune in this additional capacity "following completion of the present sinking program." In other words, by the middle of July the new mill may be expected to come into full play—and should result in production being established at $300,000 to $325,000 a month.

Provided diamond drills should indicate continuation of favorable conditions in the lower horizons, commencement of additional mill construction could take place at the same time as starting of shaft-sinking. This would probably take the form of another 300-ton unit, one-half of which would be completed at such time as development to the 19th level came into fuller play, and the final half of the unit timed for use not later than completion of that stage of sinking which would reach 3,000 feet.

At least, that is the picture which stands out to-day at the Teck-Hughes. It is an outline of plans in view. However, this should not be misconstrued as being a cut and dried plan. General conditions and general results will be the factor which will regulate the entire program. The details given herewith are merely an outline of what may be expected as the more or less general course of progress during the next year and a half.

Step-up Mill Output

It is understood that the new milling equipment will exceed designed capacity. The entire plant at present is handling 420 tons daily. By the middle of July it will reach 550 to 600 tons. This will be in the form of about 300 to 350 tons daily in the new mill and 250 tons in the old. After that may reasonably be expected another year and a half of further development and construction in order to establish a second new unit. This would bring new milling capacity to possibly 600 or 700 tons daily. As regards the old mill, it should continue to operate on ore from upper levels, as well as retreatment of tailings. It might be well to look toward a rating of a total of about 800 tons daily at Teck-Hughes in event of the installation of the second unit which is mentioned. The beginning of 1929 would be time enough to anticipate such a rate.

Miller-Boischatel Mines Will Take Over Old Syndicate

A new mining company, the Miller Boischatel Mines Company, Limited, has been formed under the laws of the Province of Quebec with a capital of $3,000,000, divided into 3,000,000 shares of a par value of $1.00 each. The officers and directors of the company are: Chas. S. Morrow, president, Toronto; Walter J. Boland, vice-president, Toronto; Vernon D. Cardy, Montreal; W. P. Kearney, Montreal; Pierre Charton, Montreal.

This company has entered into a contract to buy the assets of the Miller Boischatel Syndicate, Limited, who own 29 mining claims, located in one block in the centre of the mining activity of the Rouyn District. The reports of two well known mining engineers indicate four well mineralized zones and these engineers have both recommended further trenching and a diamond drilling campaign to be immediately undertaken.

The property enjoys excellent transportation facilities, as the main highway from Rouyn crosses the property, the survey of the projected railway crosses the property, and they also have power lines, telegraph and telephone lines on the property. The mining company will commence operation with no liabilities, assessment work and government fees paid up to date, and the land survey, for purpose of patenting, completed.

The Mining Company is paying the Syndicate 1,500,000 shares for the Syndicate's holdings and the present shareholders will receive 50 shares of the Mining Company for each share of Syndicate stock now held. Five hundred thousand of the treasury shares have been optioned which will net the treasury $240,000 when sold, remaining treasury shares being retained for the raising of further money or acquiring of other properties as may be deemed advisable by the company.

New Company Formed to Operate in Beaver Lake Area

Dixon Mines, Ltd., has received incorporation under a Manitoba charter, with a capitalization of $150,000, made up of 150,000 shares of $1 par value. Properties owned by the company consist of 22 claims in the Beaver Lake district of northern Manitoba, seven miles from the Flin Flon. Work so far has been confined to the Dixon group of nine claims, where 3,500 feet of vein have been traced carrying good values of copper, gold and silver.

Further work will be done this summer.

A. J. C. Collett, well known prospector of The Pas, is in charge of operations, and seven men are now engaged in opening up and cross cutting the Dixon vein. In addition to this, work will be extended to the Lady Jane group of nine claims, where gold and silver showings are considered promising, and to the Dixon group of six claims, where high grade copper samples have been obtained.

Would Supply Gas to Western Cities

New York and Saskatchewan interests are taking initial steps towards furnishing Regina, Saskatoon and Moose Jaw with a supply of artificial or natural gas, or both. As a preliminary, four eastern experts have been testing the feasibility of the project, and this will likely be followed by application to the three municipalities mentioned and the laying of pipes this May.

CENT. MANITOBA SCENE OF GREAT MINE ACTIVITY

(Continued from page 17)

which has been remarkable for its showings of free gold.

Returning to the Kitchener we proceeded to Slate Lake. To reach this area we had to retrace our steps some 14 miles on the Great Falls winter road, then following the Moose River and a series of small lakes for some 20 miles. We arrived at the camp of the Gem Lake Gold Mining Company. The operations of this Company have been confined to surface work. The property presents an excellent opportunity for investigation. All necessary buildings have been provided and machinery for the underground work will be in place before the spring break-up.

On the G X claims some six miles from the Gem Lake property, considerable surface work has been done with excellent showings. We found that the Slate Lake area is proving very attractive to prospectors and numerous parties were met in the area or on their way in.

Work on Eldorado

From Slate Lake we returned by the same route to within three miles of the Kitchener, where we turned off to the Eldorado, which is under the management of Gilbert LaBine. On this property over 10 acres have been cleared and extensive surface work carried out. In addition to which two shafts have been sunk to a depth of 50 and 43 feet, respectively. Complete equipment had arrived previous to our visit, in all, some 125 tons of freight. Arrangements have been made for power with the Manitoba Power Company and a transmission line cleared for a distance of three miles to the Kitchener, at which point the main transmission line will be tapped. Telephone communication has been established over the same right-of-way. Buildings to accommodate a crew of 30 have been completed and the camp is well laid out for economical management.

San Antonio Busy

Leaving the Eldorado we proceeded via winter trail to Rice Lake, a distance of 20 miles. Here our first stop was made at the San Antonio, under the management of Jack Perrin. Rapid progress has been made in the preliminary work preparatory to underground operations. First-class buildings have been erected on a site overlooking Rice Lake, store house, offices, bunk houses, dining room and kitchen, ice house and saw mill. The foundations for the hoist and boilers have been laid and all the machinery delivered to the site. In addition to this 1,500 cords of wood and a thousand saw logs have been hauled to the camp from the surrounding forest.

On this property the ore body has been traced for 1,900 feet and a three compartment shaft sunk to 42 feet. The company have plans under way to carry out 5,000 feet of underground work, much of which it is hoped to complete during 1927.

Leaving the San Antonio we drove nine miles to the Selkirk Mine, which mine holds the record of being the first gold producing property in Manitoba. The camp is completely equipped both with buildings and machinery for mining operations, including a ten stamp mill from which the first gold was turned out. The property has been explored to a depth of 525 feet with 2,299 feet of drifting and 720 feet of cross-cutting. Owing to lack of power in the district, operations were discontinued for some time, but the company is now undertaking active development work. To do this it has been necessary to remove six million gallons of water from the workings, and at the time of visit the pumps were draining the bottom levels.

The American Development Company, who operate the Selkirk, have let a contract to the W. J. Mitchell Diamond Drilling Company of Cobalt, calling for a minimum footage of 3,000 feet and the machinery is now on its way to Riverton, where it must be hauled 48 miles to the mine. It is anticipated that this year's operations will place sufficient information in the hands of the Executive to enable them to formulate plans for production in 1928.

English Brook District

While the Selkirk is only some 14 miles in a direct line from the Betty Claims of the English Brook Gold Mining Company, it was necessary to drive 29 miles in order to reach this property which consists of 12 claims, situated about six miles from the Falls on Hole River. The vein has been cleared for over 800 feet and traced across nine claims. Considerable surface work has been done and a shaft sunk 30 feet on the vein with 28 feet of drifting.

The property is a promising one and the management is proceeding with exploration work mapped out for the season 1927. Part of the equipment for this work is on the property.

The Ling, Lotus, Bingo, Denver and Dominion claims are all located in the vicinity of Betty Group and warrant more exploration work than has as yet been carried out.

Winter Transportation

From the English Brook District we drove 15 miles to Manigotagan, which is the jumping off place for the winter freight route across Lake Winnipeg. At Manigotagan the Department of Public Works is engaged in building roads and clearing trails through the woods, removing obstructions from water routes, building rest camps at convenient points and in general lending material assistance in solving the problems of communication within the area.

MINING STOCK LIST GATHERS STRENGTH

Heavy Liquidation Appears Finished — Many Attractive Purchases

Mining stocks have shown added strength during the past week or ten days, which leads to the belief that heavy liquidation, which has been in process in the past six weeks, has been arrested. Some of the more speculative issues have been hammered down to lower levels, but the sound securities have held their ground and generally have managed to advance a few points.

"While selling has been most insistent and pronounced, says F. J. Crawford and Co., "in the speculative copper-gold stocks, the shares of the majority of the seasoned producers have also reacted considerably in sympathy. Recessions have been general, and in many cases drastic. Out of thirty-nine stocks, thirty-three declined, while only six advanced between February 18 last and April 5, the latter including Teck-Hughes, Wright-Hargreaves, Lake Shore, Mining Corporation, Noranda and Potter Doal.

During the intensive buying movement with which the year 1926 closed, investors were carried away with enthusiasm regarding many unproved copper-gold companies and the downward readjustment which followed evidently has resulted in market prices more in line with conditions at the respective properties. Exploration is being carried on over an extensive area in Northwestern Quebec at the present time, and any news of real importance may be expected to have a favorable effect on the market for the stocks. With the experience of the past two months behind them, the public hereafter will likely buy cautiously only those stocks which have definite physical assets and sound financial sponsorship behind them.

"It is generally recognized, on the other hand, that more seasoned securities, which have improved their earning power, would, under ordinary circumstances have appreciated had they not been under the depressing influence of other sections of the list. March is usually a reactionary period in the market year, and indications are that the selling movement has pretty well run its course. While we would not recommend many stocks in the list, even at the current relatively low levels, the shares of most of the well-established mining companies are undoubtedly an attractive purchase at present levels."

Promising Vein Encountered on Lakeside Lorrain Property

An excellent vein, which has every prospect of running into high-grade ore, has been disclosed on the property of Lakeside Lorrain Silver Mines, Ltd.

Number two vein had assays in silver of low grade, while No. 1 vein has a very promising appearance, which also assays silver and shows that the whole break in which they are now working gives every indication of excellent silver values at depth.

From the reports received from the mine, the directors are of the opinion that a diamond drill should be started this spring, and that there is every indication that there are veins of high-grade silver in close contact with the diabase which should be located inside of 250 feet by diamond drilling at depth.

The exploration work has covered fully a mile of trenching which has just been completed, in which a quartz calcite vein fully 40 feet in extent has been exposed.

This 40-feet vein has assayed silver on the surface, and being a very distinct fracture, has convinced the management that exploration should be made at depth, and it is anticipated that diamond drilling on this particular fracture should bring valuable results to the shareholders of Lakeside Lorrain.

KIRKLAND-TOWNSITE OPERATIONS

Hopes are entertained that the crosscut now under way at the 675-ft. level of the Kirkland Townsite property will intersect the continuation of what is known as the "Black" vein. This fracture is running toward the townsite property from the adjoining Black claim where gold is in evidence across a narrow width.

Canadian Exploration Co. Strikes High Grade Ore

Lochalsh, Ont.—The shaft on the lead-silver-zinc property of Canadian Exploration Survey in the Ranger Lake area has reached a depth of 16 feet, and at this depth is entirely in ore, according to reports reached here. High grade is in evidence across the 14-foot width of the working, two feet of this next to the diabase running in excess of $100 a ton, with good assays obtained over the whole width, it is stated. Thirty-five men are employed, and two drilling crews are working on both the day and night shifts. With the snow fast disappearing from the road into the claims, the work of transporting supplies is being rushed, and 14 teams have been engaged in this work. Camps are being put in shape for a large crew, and sinking of the shaft in its initial depth of 100 feet is proceeding in very satisfactory manner. Staking interest in the area continues to run high, heavy daily recording being still the order, and during the past week some excellent specimens have been brought out from various spots in the area.

NEW CYPRESS HILL STRUCTURE FOUND

Field Work Discloses New Area Which May Contain Oil or Gas

Results of field work carried on by Dr. W. S. Dyer in the Cypress hills, will shortly be issued by the Geographical Survey of Canada. By careful levelling of certain distinctive formations unexpected structural features have been determined. Evidence has been obtained which shows that the structure of the rocks underlying the Cypress hills is favorable to the accumulation of oil or natural gas.

Dr. Dyer states that structures are commensurate in area and rate of dip with the Kevin-Sunburst dome of northern Montana. They should prove to hold oil or gas provided the underground conditions are right. These include the presence of porous sands suitable for reservoirs and beds capable of generating petroleum. The Milk River sandstones which hold so much gas at Medicine Hat might quite possibly be oil-bearing in this more pronounced structure. Oil showings were met within the Drazan well in the Many Island field, in the Blairmore-Kootenay, and in the Jurassic. In the Roth well at Medicine Hat oil showings were found in the Ellis and at the top of the Palaeozoic, and several strong flows of water indicating porous horizons were struck in the Colorado, Blairmore-Kootenay, and Palaeozoic. These wells were both located on very much flatter structure.

Important Copper Finds Reported on Breen Claims

Important copper discoveries are said to have been made on the Thos. Breen claims. This group comprises 35 claims about five miles slightly southwest of the Nipissing and Coniagas properties in the southeast corner of Montbray township.

What is said to be a character sample from a section of vein nine by twelve feet gives values of 18.7 per cent. copper and a few cents in gold. This find is located in an area that has shown disseminated sulphides over an area 125 feet in width that has been traced by trenching for a distance of 2,000 feet. The owners of the property claim channel sampling of a section 55 feet in width to show 13.11 per cent. copper and 40 cents in gold. Another section of sulphide and quartz mixed with chalcopyrite, it is claimed, gives values of 20.89 per cent. copper and a trace of gold.

Peterson-Cobalt has extended its crosscut about 300 feet at the 330-ft. level and the work is now approaching the diabase contact.

At such time as the crosscut passes out of the lamprophyre formation and enters the diabase, the trend of operations will become the centre of greater interest.

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Toronto, April 11, 1927.

DECLARE NORANDA STOCK DUE FOR AN UPWARD SWING

(Continued from page 17)

ing air for the increased number of machines immediately.

As a matter of fact, sinking operations from the 300-ft. level were started before the compressor was ready. A station was cut at that level and sinking started in the last week of March. Work will be pushed rapidly and should make the necessary 300 feet with stations at 100-ft. intervals, sometime in June. The work on the 400, 500 and 600-ft. levels will then start to develop the downward extensions of the known ore, which has been proven to the 300-ft. level.

Expect Ore Reserve Increase

It is not difficult to visualize what will happen when some twenty-five machines start work on the aforementioned levels. As the work will be in ore almost from the start, it is apparent that reserves will be increased at a remarkable rate. There will be at least six months of this year when ore will be opened up on the various levels at a rate of at least 15 times greater than ever before. The result will be that by the end of the present year, a tremendous increase can be shown in ore reserves.

Now that air is available, underground program is being revamped and in addition to work already mentioned, raises will be driven through the present known ore bodies above the 300-ft. level, which will again increase the ore reserve figure for the reason that the management have calculated very conservatively on any ore bodies which have not been raised on and there is only one that falls in that class at present. New exploration can also be quickly undertaken and it is apparent that a property that could in a comparatively short time develop $25,000,000 in ore reserves with a wood-fired plant, capable of running only three or four machines will, with the above equipment, quickly increase its reserves.

Smelter Nearing Completion

A recent visit to the smelter was made by D. A. Mutch, a well known mining authority, who states that work is well ahead of schedule. All the steel work for the reverberatory furnace building is now in place and the roof nearly completed. The new steel head frame at the main shaft will be ready before the end of this month. When this hoist is in operation sinking will, of course, proceed much more rapidly than at present.

It is apparent from the foregoing resume of Noranda's development work planned for this year, that the next annual report will show a vast improvement in the company's position. On the basis of the work already accomplished and that planned for this year, there is justification for the supposition that the stock will touch $30 or more before next year.

Features of Noranda

1. Property staked in 1920 by E. H. Horne for Lake Tremoy Syndicate.
2. Taken over by Horne Copper Corporation, which is owned by Noranda.
3. Authorized capital amounts to 2,000,000 no par shares; practically all issued. Hollinger purchased for cash, $3,000,000, 7 per cent. bonds.
4. Has large interests in subsidiaries in Ontario and Quebec.
5. Ore reserves are placed at $25,000,000.
6. Smelter now in course of erection, with a rated capacity of 1,000 tons daily. First unit is expected to be in operation this fall.
7. Model townsite now being erected within short distance of smelter.

HARVIE MINING CO. ROUYN OPERATIONS ARE PROMISING

(Continued from page 17)

of ore of 11½ feet. The ore at this level was both stronger and more massive than in the surface workings.

Reach 125-ft. Level by May

This drift and cross-cut was completed in March, 1927. The showing both in the drift and the cross-cut confirmed conclusions as to the importance of this ore body. Three shifts per day were employed in sinking shaft to the 125-ft. level. This work is now being pushed ahead rapidly, and progress made is entirely satisfactory. The shaft is now nearly 100 feet in the ore body and should reach objective of the 125-ft. level before the end of April.

Adit Work on Harvie

Something like one mile to the northwest of the Archean shaft is the adit which is being driven into the side of the hill on Claim 2517.

The purpose of this operation is to intersect at depth three areas of heavy mineralization shown on the surface. The first, or easternmost one of these is on the top of the hill. It consists of a "gossan" zone 590 feet long by 35 feet wide. The surface rocks are highly fractured, and the joint seams are filled with chalcopyrite. A test pit to a depth of 12 feet showed that these joints and stringers had expanded to give a zone of 5 feet of ore. Value of this is estimated at approximately $20 a ton. On the second zone a rock trench 50 feet long across the zone showed the same strong mineralization of chalcopyrite.

At this point an adit was determined upon as being the most advantageous method of exploring, not these three zones alone, but also all the intervening ground. This adit cross-cuts the formation and will naturally cut any other ore bodies intervening.

Work was begun last November and was continued steadily during the winter. A distance of 385 feet from the portal has now been reached. Objective, based on the surface showing, is estimated to be approximately 800 feet from the portal and 415 feet beyond the present working face.

Sink Shaft on Thompson Group

Approximately 350 feet to the southeast of the Archean shaft, plan is to sink a shaft on the Thompson group. The mining machinery is already on the ground.

This action is being done owing to the fact that across the entire interval of 350 feet, and extending on to the southeast as far as exposed, is a strongly mineralized zone steadily expanding in width to a maximum of 80 feet at the point where heavy soil covering begins.

Mineralized zone is from this point concealed for about one-quarter of a mile by swamp, but in the proper position as to direction, and having similar characteristics in all essential points of formation, there is found what appears to be, with little doubt, the extension of the same mineralization. In this zone are found the ore bodies in which the Archean shaft is sunk, as previously described.

Actually on the Thompson property the company has one rock trench showing 14 feet of ore. A second trench 110 feet to the south showed about three feet of actual ore and a wide border of some 50 feet of heavy mineralization.

Taken in conjunction with the known ore body at the Archean shaft, this continuity and similarity of formation, together with the finding of actual ore in the surface work, amply justifies a high degree of confidence that sinking of this shaft will reveal other ore bodies of substantial size and value.

Sinking of this shaft will be begun before May 1.

Ringrose Looks Promising

On Claim 2,515, known as Ringrose operation, there is found a large area of surface mineralization, as shown by the "gossan."

At the western end this "gossan" runs down the hill slope to become covered by the soil. Just at the margin, against the soil, a quartz vein containing a high percentage of zinc with lesser values of gold was discovered and traced along the surface for some 250 feet into the exposed mineralized "gossan."

The greatest mineralization was found at the point where the vein was concealed by the soil, and an attempt was made to follow this vein by stripping. However, the rock sloped off very rapidly and a test pit, 12 feet deep, failed to pass through the soil, and work was halted by inflow of water.

A second test pit in the rock at the margin of the soil showed the quartz vein continuing to a depth of 15 ft. The vein proper is about twelve inches wide, with a heavy mineralized border on either side, giving a total width extending from two to five feet.

In Dr. Harvie's opinion this showing is possessed of high potential values and important possibilities. Accordingly, a mining camp has been established at this location, completely equipped with air compressor, hoist, blacksmith shop, boarding and sleeping accommodation.

Actual sinking of the shaft began on March 29, and is being pushed forward as rapidly as physical limitations of the work will permit.

TRAIL SMELTER RECEIPTS

The Consolidated Mining and Smelting Company of Canada, Limited, makes the following statement of ore receipts at Trail Smelter from March 23 to March 31, 1927, inclusive, and from January 1, 1927, to date, in tons:

	Week	Year
Company's mines	10,972	113,611
Other mines	3,886	43,219
Total	14,858	156,830

JAY COPPER-GOLD ISSUES REPORT; SPENT $162,722

Physical and Financial Development Completely Reviewed by Management

From Our Own Correspondent.

MONTREAL.—First annual report of the Jay Copper-Gold Mines for the year ending February 28, 1927, shows that the company has cash on hand amounting to $14,698 and current liabilities of $3,178. Deferred payments on the property total $15,000, due in three instalments of $5,000 each payable on May 1 and September 1, 1927, and January 1, 1928.

The company's issued and paid-up stock amounts to $5,000,000 and the company's fiscal agent has an option on 2,500,000 shares of treasury stock of which 1,830,000 are still lodged with the trust company. The 2,500,000 shares have been optioned to net the company $962,500.

The report sets forth comprehensively and very clearly the financial and physical development of the company. Operating expenditures during the year amounted to $53,397, of which $40,773 was spent in development, $6,478 in organization expenses and $6,145 in head office and administration expenses. During the year the company received $162,722 from the sale of its treasury stock. In the remarks of H. J. Stewart, vice-president and managing director of the company, were contained complete reviews of the operations on various groups of claims.

Old and Famous Slocan Camp is Coming Back

By DAN E. CUSHING,
Mining Editor, The Financial Post.

CRANBROOK, B.C.—Effort is being made to revive the old and famous Slocan of British Columbia. This section which before the Yukon gold rush was quite a sensation has been dormant for years. Operations, none too scientific, came to almost an abrupt end when miners and prospectors deserted from a sinking ship and hied themselves to the Yukon.

Various spasmodic efforts have been made since, the best being in 1905 when silver, which had been hanging at forty-six to fifty cents rose to seventy cents. This made Slocan ores look attractive. It is significant that the revival was just at the time Cobalt was found, a good deal of ore was taken out and then the camp died. The position to-day is different. Lead is rising, being six to eight cents now compared with two cents then and may go higher, as there is a strong possibility of a shortage. Besides the mines now are able to get something for their zinc, which in the old days was a liability in the ore.

Victoria Syndicate and several Spokane operators are in the field and intelligent study is being made which may result in a big camp. Between Slocan and Kaslo are a number of interesting properties. Several are being explored. It would seem that devising some way that these small operations could get the benefit of intelligent engineering advice would be generally beneficial.

Manor Mines Instal Plant

The new steam plant on the Manor Mines, Ltd. (formerly Manley-O'Reilly), has been installed ready for operation. This replaces the former portable plant. It includes a five-drill compressor, and will enable operations to be increased The shaft at present is down 375 feet, and the enterprise is representative of the most aggressive and comprehensive so far undertaken in the Skead Township area.

A reorganization recently carried out not only changed the name to Manor, but also increased capitalization from 3,500,000 to 5,000,000 shares.

The Potter-Doal Mines, which has been listed on the Standard Mining Exchange, is capitalized at 3,000,000 dollar shares. Of these, 1,860,000 were issued for 41 claims in Munro and Warden Townships, and 367,456 were sold at prices which netted the company $134,572.72. In the balance sheet as at March 25 last, the cash on hand was $103,870.52, and the fixed assets were valued at $202,373.01.

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Is the Kamiskotia Area Another Rouyn?

The sensational developments in this Northern Ontario Gold-Copper area are attracting widespread attention.

This week's issue of the Market Despatch contains in addition to a large and complete map of the district, a review of developments being reported by several of the leading mining companies in this area, especially Hollinger.

This issue also contains special reference to three important Kirkland Lake properties:

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Mining Geologist,

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Keystone Securities Corp. Ltd.,
347 Bay Street,
Toronto, Ontario.

Gentlemen:

Kindly furnish me with detailed information regarding the Trethewey-Ossian Mines, Limited.

HARVIE MINING Exploration Company, Limited

DR. ROBERT HARVIE, head of the Harvie companies, has just completed a report on underground operations during the winter, together with a brief outline of plans for the coming summer.

A copy of Dr. Harvie's report will be furnished on request.

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New Birks Building, MONTREAL

KING EDWARD OF TORONTO EARNS PROFIT IN 1926

Stock Rises on News; This Year Promises Best in Recent History

King Edward Hotel, Toronto, had net earnings of $36,252 in the fiscal year ended December 31, 1926, compared to a profit of $16,539 in 1925 and a net loss of $12,222 in 1924.

It is understood that the first three months of 1927 have been surprisingly good from an operating viewpoint. Even March, which normally is a poor month for hotels in this climate, showed a net gain over last year. The three months of the year have shown an improvement of approximately $60,000 over last year, it is reported.

The common stock of the King Edward Hotel has been rising steadily on the Toronto stock exchange for more than three months, jumping from the forties to the lower fifties early this week, apparently on the news that the current year promises to be about the best since the completion of the seventeen-storey wing added materially to operating expenses, while, at the time, general business hardly warranted the additional capital charges.

If individual directors are contemplating declaring a dividend on the common stock soon, they have not discussed it at a directors' meeting. The explanation of the strength of the stock on the market is that the general improvement in the business outlook coincides with a comparatively small floating supply of the issue. It is estimated that not more than 6,000 shares are available for trading on the exchange.

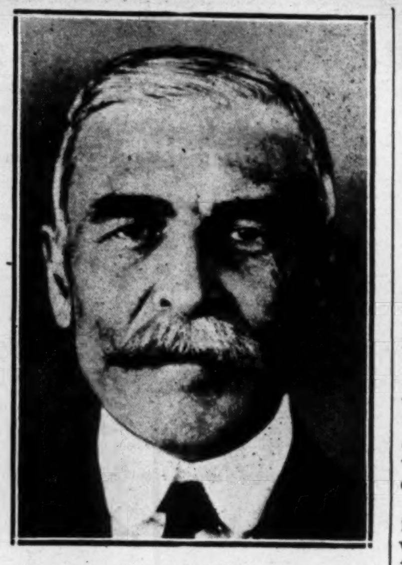
Criticize Reserve

The company's auditors, Peat, Marwick, Mitchell & Co., express the opinion that the reserve for depreciation, which now stands at $464,474, is not adequate. Current liabilities as at December 31, exceeded current assets, the former standing at $279,070, and the latter at $221,427. The capital surplus is given at $170,603 after writing off discount and commission on securities, goodwill and deficit on operations totaling $429,396. The net value of fixed assets is given at $7,423,913 and investments at $9,282. The face value of the outstanding securities ranking ahead of the no-par common stock is $6,825,000. The common stock of no-par value is carried on the books as a liability to shareholders of $400,000.

Although this balance sheet in itself is perhaps not so encouraging as might have been hoped for, the general outlook for the hotel property is fairly promising, in the opinion of competent observers. It is pointed out that, before the 1927 tourist rush begins, several hundred thousand dollars will have been spent on new plumbing and furnishings in the older part of the hotel, and that a large portion of this expense has been charged against 1926 and 1927 operations. When the work is completed, the hotel property, in the opinion of its managers, will be as good as any on the continent and will be in position to compete for business no matter what class of competition arises in Toronto in the next few years.

There are two opinions as to what will happen to the King Edward if, and when, other first-class hotels are built in Toronto. Interests affiliated with the hotel are contending that the King Edward will be able to hold its own no matter what happens in the field, and point to the fact that the Windsor Hotel in Montreal has maintained an eminent position despite the fact that, among its competitors, is a hotel property the largest in the British Empire. The other opinion concerning the King Edward is that it is likely to prove profitable to shareholders even if it takes second place in the affairs of the community.

Balance deficit Dec. 31, 1925		$157,615.01
Gross earnings 1926	$2,375,856.35	
Operation expenses, interest and taxes	1,732,029.71	
	643,826.64	
Depreciation reserve	96,347.51	
	547,479.13	
Interest on funded debt	511,227.59	
Profit	$ 36,251.54	
		36,251.54
Written off to capital surplus account deficit		$121,363.47



T. ROSS BOYS, who has joined George E. Harley & Co., members Toronto Stock Exchange. Mr. Boys joined William H. Brouse in the brokerage business in Toronto over 30 years ago and he has been a partner of Brouse, Mitchell & Co. since this firm was formed.

Start Bridge Construction

Actual construction work on the new $20,000,000 Windsor-Detroit bridge will begin about May 1, according to the New York Trust Company, financial backers of the American Transit Co.

DULUTH-SUPERIOR VALUATION VICTORY IS HELP TO STOCK

U.S. Supreme Court Decision Improves Company's Position

The United States supreme court has handed down a decision in favor of the Duluth-Superior Traction Co. in the action brought by the city of Duluth, Minn., to scale down the appraisal of the company's property on which the rate of fare is fixed so that 7½ per cent. can be earned in accordance with the state law under which the railroad and warehouse commission of Minnesota operates.

This is considered to be the most important of the three lawsuits in which the city of Duluth has involved the traction company. There is a move, fostered in St. Paul and Minneapolis in an attack on Twin City Rapid Transit Co. to repeal the state law which gives control of utilities to the railroad and warehouse commission and which directs the commission to fix fares on basis to earn 7½ per cent. on a fair appraisal of property used. But it is thought that the state legislature will decline to repeal the law which would throw control of utility companies back into the hands of municipal authorities.

Improves Company's Status

In view of the decision and the expected attitude of the state legislature, the position of Duluth-Superior Traction is materially improved. At the same time, it is anticipated that the effect of the decision will be to deter purely political attack on Twin City which is likely to involve the taxpayers of Minneapolis and St. Paul in an action which will jeopardize the earnings position of Twin City or of any other reasonably managed utility in the state of Minnesota.

With the appraisal finally determined, so far as Minnesota is concerned, and with a great part of the public convinced that a 7½ per cent. return on a fair appraisal is not excessive, it is anticipated that the market position of stock of the Duluth-Superior company will be bettered to a marked extent.

Canadian Car Issues Are in More Demand

From Our Own Correspondent.

MONTREAL. — In keeping with the general trend of the market, there has been some revival of interest in the preferred and common shares of the Canadian Car and Foundry Company. On a yield basis the preferred shares appear to have been selling out of line with other similar issues; this is probably due to the fact that the company's earning power tends to fluctuate violently.

The renewed interest in the shares has perhaps been due to the fact that the company has closed a contract with the General Motors of Canada for the construction of motor car frames. Whether or not this will mean very much in real profits to the company is not known, but it is certain that such orders will tend to reduce the fluctuations in the level of activity at its plant between equipment orders. This in itself will tend to reduce overhead costs.

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J. G. PEMBLETON........... *Director*, New York City
THEODORE EBERSBACH ... *Director*, Pomeroy, Ohio and Winter Haven, Fla.

BUSINESS AND HISTORY—This Company was formed to fill a need for the supplying of Lime Rock suitable for the construction of roads in Florida. The State of Florida lays down certain rigid rules regarding the type of material that must be used for State and Municipal Highways and the supply of the rock that is the principal ingredient, is decidedly limited.

After exhaustive investigation which covered examination of many properties, all of which were unsatisfactory or of lower grade material than can be used for road construction, there was finally located two tracts containing 250 acres near Ocala, Florida, with lime rock deposit which fully met all State specifications. These tracts, with all equipment, have now been purchased in fee simple by the Standard Lime Rock Company of Ocala, Inc.

MINERAL PROPERTIES—The first tract covers about 130 acres at Pershell, about three and one half miles west of Ocala and the other covers about 120 acres, located near the Village of Lowell, about eleven miles north of Ocala, both of which tracts contain a very high quality of lime rock.

On this property there is estimated to be approximately 3,000,000 tons of lime rock deposit, and on an adjoining property there is lime rock deposit of approximately 1,000,000 tons, which can be obtained at very reasonable figures and which, on account of its location, must be worked through our plant, thereby making a total of approximately 4,000,000 tons accessible to our plant.

PRODUCT—The rock on these properties has been submitted to the State of Florida Engineering Department and approved by them for the building of State roads. Four samples taken showed lime content respectively, of: 98.95, 99.20, 98.70, and 99.10, an average of 98.98, which is high, especially in view of the fact that the samples were so taken as to represent as accurately as possible the product as the shovel would load it. The State requirement for State roads is 97.00 of lime (Calcium Magnesium Carbonates) content.

The lime rock deposits at Ocala are widely known throughout the State as containing the best material for road construction, and it is contemplated that the high quality of our product will make available to us the securing of numerous State and County road building contracts. It is for State work as well as County and Municipal work rather than sub-division work, that there is a constant demand for Ocala lime rock.

DEVELOPMENT AND EQUIPMENT—The property has been thoroughly prospected, including drilling, examinations and analyses on numerous locations, and a considerable area of over burden has been removed. There is in operation at the present time equipment, consisting of two Marion steam shovels, one being No. 32 and the other being No. 21, with drag line attachment; complete first class tipple equipment, including one oil engine, railroad siding, tipple, portable drilling machine, pumps, conveyor, crusher, pipes, shaftings, pulleys, etc., in short, a complete plant for the production, preparation and loading on railroad cars of this road material.

MARKET—The State of Florida depends upon the tourist for prosperity and this means that she must continue to build and maintain her splendid system of roads, and this alone precludes the probability of there being any decrease in the demand for this, the most satisfactory rock base material to be found in available quantities within the State. There is a specific program for the raising of money for the building and maintaining of roads in the State of Florida, namely; a gasolene tax. The income from this tax amounted to over $12,000,000 in 1926.

Also, owing to the freight rates, we are protected against competition on road materials from outside of the State, and as there is practically no gravel and only a limited supply of lime rock in the State of Florida, the market for this rock is in a very stable condition. Contracts were awarded by the State Road Department, January 1st, 1926, to August 13th, 1926, totalling $7,745,270.77 (Florida Highways, September, 1926, published by the State Road Department).

EARNINGS—The company now has an exclusive contract to furnish all rock required by the Ebersbach Construction Company in its operations in the State of Florida, which, during the past year, used 80,000 tons of this rock; and a contract with Deen-Yarborough, Inc., for their requirements under a certain contract with the city of Winter Haven, which will require about 50,000 tons.

The equipment on the properties at present is sufficient to produce from 1,000 to 1,200 tons of rock per day, or conservatively 200,000 tons per year.

The sales price of this rock at the present time is ninety cents to one dollar per ton f. o. b. cars and the cost is from forty to fifty cents per ton f. o. b. cars. Therefore, on the conservative estimate of 200,000 tons per year a profit would be shown of $80,000 to $100,000, or four to five times the dividend requirements on this issue of Preferred stock. Earnings for the past three months justify these figures.

MANAGEMENT—The management of the company includes men who have had years of successful business experience in quarrying, road building and financial enterprises.

Price $100 Per Share, to Yield 8%
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A complete descriptive circular will be mailed upon request.

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Earnings and Dividends Show Steady Growth in British Trusts

Eleventh Article of a Series on Investment Trusts and Their Place in Canada

By MACKENZIE WILLIAMS, of A. E. Ames & Co., Toronto. Copyright, 1927.

Before studying in detail the nature of the profits and dividends now being enjoyed by the great majority of English and Scottish investment trusts and the experiences and records in these respects in recent years, it might be well to again remind ourselves that the early experience of investment trusts were by no means universally favorable. Losses, disastrous failures and reorganizations were not uncommon. Nor could the reasons for these unfavorable experiences be attributed to any one cause. Poor or inexperienced management was perhaps the most prominent cause, while other causes were the too great concentration of investments in one industry, in one country or in one type of issue. The lack of reserves to tide over trying times also frequently contributed. During their fifty or sixty years of financial background and experience, the English and Scottish trusts have, by a gradual process, discovered or evolved and put into practice those sound principles of investment management which are the backbone of their successful operation at the present time. The causes of the early failures and the reasons for the present successful operation of the majority should be closely studied and followed by newly formed investment trusts and by those interested in these organization.

Specialized Management

As in all other directions of human endeavor, the management of investments has become more or less specialized. The "better than ordinary" profits available in connection with the operation of investment trusts are in a considerable degree due to this specialization.

Every business man has frequent opportunities for embarking in various business enterprises. When confronted with such situations, he has to decide which of two main alternatives he will choose. First, he may decide to keep his money and invest it in any one of several types of securities and therefrom receive a rate of interest or dividend varying with the degree of risk involved. From the security devoid of all risk, or a "riskless" security, he would obtain a very low rate of interest. Second, if on the other hand, he judges himself to have sufficient specialized experience, he may decide to embark in the new enterprise and risk his capital because he expects to reap a "business 'profit" usually several times and in some cases possibly many times as great as the return he could expect to receive if his money were invested in securities. Should he decide in favor of the enterprise, he will study the sources of his raw materials; buy in the lowest possible markets; buy in quantity; get the largest possible trade discounts; study markets and marketing methods, sales territories and in innumerable ways endeavor to take advantage of the many opportunities to make "business profits" which are available only if he thoroughly understands his business and is keen and alert to all its possibilities.

There is a somewhat analogous situation in tne operation of an investment trust by its shareholders. The holders of the common, ordinary or deferred shares of investment trusts have come to expect and do receive, as a whole, "better than ordinary" returns on their investments and the reason for this is simply that they are receiving or are in some measure participating in "business profits."

The managers of investment trusts, if properly chosen ar , or should be, experts in the business of investment. They are able to weigh and balance against one another. Where yields are greater from securities of equal merit they can secure the greater yields. They buy in larger amounts than is usual for private investors; get special discounts; often have opportunities to participate at underwriting prices, and have specialized knowledge of foreign markets and securities. In other words, the managers are making a business of investment and consequently make available to the organization something in addition to the ordinary investment returns. These returns are further increased when the managers follow the time-tried methods in administration of investments and investment accounts and build up substantial reserves. These reserves eventually lead to increased dividends and frequently they ultimately result in stock bonuses.

Visible and Invisible Reserves

Satisfactory or substantial profits are the normal experience of well-run British investment trusts. Taken as a whole, the Scottish trusts show up to somewhat better advantage than the English trusts, a condition which we have found to be generally the case in regard to several different angles which we have examined. The Scottish trusts have build up "visible" reserves to the extent of about 86 per cent. of the total of ordinary, common or deferred stock outstanding, compared with the 43 per cent. "visible" reserves of the English companies. The Scottish companies retain 30 per cent. of the amount earned on ordinary stock which is annually carried to "visible" and "invisible" reserves, etc., as compared with 28 per cent. in case of English companies, and, further, in cost of management, the Scottish companies came close to operating at 1/3 of 1 per cent. of the total capital, as compared with the English companies which operated at .44 per cent.

In the matter of earnings on the ordinary stock, the tables following will again bring out another interesting situation which likewise favors the Scottish companies. In the tables below, the results attained by 23 English investment trusts as regards the earnings on ordinary stock for the most recent fiscal years for which the figures are available, are compared with the results achieved by twenty-one Scottish companies for a like period.

ENGLISH INVESTMENT TRUSTS

Table showing the Gross Revenue Available for Ordinary Stocks, the percentage earned, the amount actually paid and the percentage paid for the most recent year for which comparable statistics were available.

Company	Year	Capital Issued Ordinary £	Revenue Available for Ordinary £	% Available for Ordinary	Amount Paid on Ordinary £	% Paid on Ordinary
1. Amer. Inv. & Gen. Tr. Co., Ltd.	1924-25	500,000	61,535	15.88	46,500	12
2. Army & Navy Inv. Tr. Co., Ltd.	1923-24	200,000	33,208	21.42	18,600	12
3. Bankers' Investment Tr., Ltd.	1924-25	900,000	83,736	11.97	59,474	8½
4. Charter Trust & Agency, Ltd.	1923-24	500,000	19,821	5.12	19,375	5
5. Foreign, American & Gen. Investment Trust Co.	1924-25	750,000	61,383	10.56	48,594	7½
6. Foreign & Colonial Investment Trust Co., Ltd.	1924-25	1,106,755 10/	78,832	9.19	64,330	7½
7. Gen. & Com. Invest, Tr., Ltd.	1924-25	800,000	24,004	10.32	23,250	10
8. Gen. Investors & Trustees, Ltd.,	1924-25	300,000	51,945	22.34	20,925	9
9. Govt. Stock & Other Securities Investment Co.	1924	462,500	39,598	11.05	28,675	8
10. Guardian Invest. Tr. Co., Ltd.	1924-25	310,000	33,478	13.93	24,025	10
11. Industrial & Gen. Tr., Ltd.	1924-25	1,250,000	210,567	21.74	135,625	14
12. International Invest. Tr., Ltd.	1924-25	400,000	34,548	11.14	21,700	7
13. Investment Trust Corp., Ltd.	1924-25	800,000 300,000	149,248	24.01	118,117 on 800,000	19 def.stk.
14. London & New York Investment Corp., Ltd.	1923-24	100,000	16,590	21.41	6,200	8
15. London Scottish American Trust, Ltd.	1923-24	500,000	47,579	12.28	38,750	10
16. London Trust Co., Ltd.	1924-25	480,000	63,035	16.94	46,500	12½
17. Mercantile Invest. & Gen. Trust Co., Ltd.	1924-25	1,500,000	190,870	16.42	139,499	12
18. Merchants Trust Co., Ltd.	1924-25	687,500	76,031	14.27	58,609	11
19. Metropolitan Trust Co., Ltd.	1924-25	400,000 200,000	71,605 on 400,000	23.10 O.S.	54,250 on 400,000	17½ ord.stk.
20. Omnium Investment Co., Ltd.	1924	414,740	27,343	8.51	25,714	8
21. Sterling Trust, Ltd.	1924	1,250,000	100,287	10.41	72,656	7½
22. United States & South American Trust Co.	1924-25	500,000	53,755	13.87	38,750	10
23. Witan Investment Co., Ltd.	1924-25	1,100,000	117,759	14.14	69,875	6½ fr.-8.39 gr.
Summary	1924-25	15,211,495 10/	1,647,297	10.83	1,174,993	7.72
	1923-24	14,556,495 10/	1,435,209	9.86	1,054,090	7.24
Increase	......	655,000	212,088	.97	120,903	.48

From the table above, it will be observed that the twenty-three English investment trusts had, at the time the comparison was made, total outstanding 'ordinary" stock of £15,-211,95, which was an increase of £212,088 as compared with the year previous. The revenues available for ordinary stock for the twenty-three companies amounted to £1,647,297 which was at the rate of 10.83 per cent. on the outstanding ordinary stock, thus showing a satisfactory increase over the year previous when 9.86 per cent. was earned on the lesser amount of stock outstanding. Out of the total revenues available, the aggregate of dividends paid by all companies was £1,174,993 or 7.72 per cent. as compared with 7.24 in the previous year; an increase of about ½ of 1 per cent. on the larger capitalization. The high rates of dividends now being paid by many of these English companies will be observed. Twelve pay 10 per cent. or over. Seven pay 12 per cent. or over.

The following table will bring out the situation in connection with the Scottish Investment Trusts:

SCOTTISH INVESTMENT TRUSTS

Table showing the Gross Revenue Available for Ordinary Stocks, the percentage earned, the amount actually paid and the percentage paid for the most recent year for which comparable statistics were available.

Company	Year	Capital Issued Ordinary £	Revenue Available for Ordinary £	% Available for Ordinary	Amount Paid on Ordinary £	% Paid on Ordinary
1. Alliance Trust Co., Ltd.	1924-25	625,752	163,723	36.74	102,494	23
2. American Trust Co., Ltd.	1924-25	170,292	15,407	15.45	9,966	10
3. British Canadian Trust, Ltd.	1923-24	125,000	14,546	14.59	7,979	8
4. British Investment Trust, Ltd.	1924-25	800,000	156,892	25.31	117,800	19
5. Caledonian Trust Co., Ltd.	1924-25	400,000	29,028	12.12	26,350	11
6. Clydesdale Investment Co., Ltd.	1923-24	200,000	22,183	14.31	15,500	10
7. East of Scotland Trust, Ltd.	1923-24	81,356	4,632	7.34	3,468	5½
8. Edinburgh Investment Tr., Ltd.	1924-25	480,000	57,395	15.43	44,640	12
9. First Scottish American Trust Co., Ltd.	1924-25	300,000	34,038	14.62	24,446	10½
10. Northern Amer. Tr. Co., Ltd.	1923-24	500,000	71,910	23.20	49,600	16
11. Scottish Amer. Invest. Co., Ltd.	1924	1,100,000	129,509	....	100,750	..
12. Scottish Invest. Trust Co., Ltd.	1923-24	250,000	32,126	16.58	19,375	10
13. Scottish Northern Investment Trust, Ltd.	1924-25	200,000	34,761	21.83	23,875	15
14. Scottish Western Investment Co., Ltd.	1924-25	400,000	66,089	21.32	43,400	14
15. Second Edinburgh Investment Trust, Ltd.	1923-24	200,000	40,029	25.83	23,250	15
16. Second Scottish American Tr. Co., Ltd.	1924-25	400,000	45,670	14.73	32,551	10½
17. Second Scottish Investment Tr. Co., Ltd.	1923-24	300,000	38,260	16.46	27,900	12
18. Second Scottish Northern Investment Trust	1924-25	200,000	29,684	18.75	19,000	12
19. Third Edinburgh Inv. Tr. Ltd.	1923-24	100,000	22,900	29.55	9,300	12
20. Third Scottish American Trust Co, Ltd.	1923-24	400,000	41,523	13.39	28,675	9¼
21. United States Inv. Corp., Ltd.	1924	100,000	12,093	15.60	9,300	12
				Net		Net
Summary	1924-25	7,332,400	1,062,398	14.49	736,619	10.09
	1923-24	6,649,433	920,591	13.84	654,211	9.84
Increase	......	682,967	141,807	.65	82,408	.25

Twenty-one Scottish companies had outstanding £7,332,400, which was an increase of £682,967 over the amount outstanding at the close of the previous year. The aggregate earnings available for ordinary stock amounted to £1,062,398, which was at the rate of 14.49 on the larger amount of stock outstanding as compared with 13.84 per cent. in the previous year. Out of the aggregate available for the ordinary stock, £736,619 was paid out in dividends or at the average rate of 10.09 per cent. on all companies.

It will be interesting to observe that the English companies earned 10.83 per cent. on the ordinary stock and paid out 7.72 per cent., whereas the Scottish companies earned 14.49 per cent. on the ordinary stock and paid out 10.09 per cent. Eleven of the Scottish trusts paid dividends of 12 per cent. or over, while 17 of the 21 paid dividends of 10 per cent. or over.

The more favorable showing made by the Scottish companies was not due to any one factor, but to a combination of many factors of which the differences in capital structure, the favorable costs of operation, and the conservative policies in connection with building up and retaining of large ratios of reserves are, perhaps, the most important.

In order to show that the results achieved are not a matter of temporary nature, the dividend records of thirteen Scottish companies and twenty-one English companies or a total of thirty-four British trusts have been studied as far back as 1914.

It would have occasioned no surprise had there been a drastic curtailment in profits and a decided lowering of dividend rates all along the line as a result of a catastrophe of the nature of the world's greatest war. The actual results show that in fourteen cases, the dividends remained the same throughout the war period. In three cases there was an actual increase; in the remainder there was a shading of dividends for a short period. The amazing thing is that the British investment trusts, with head offices located in Great Britain amidst the turmoil and excitement in connection with the unparalleled exertions made on account of the war, weathered an upheaval of that nature in such a brilliant way.

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The ROBERT MITCHELL COMPANY-LIMITED MONTREAL

War Year Affected Investment Trust Dividends But Little

Twelve Year Record of Dividends on Common or Ordinary Stocks of 34 Investment Trusts (13 Scottish and 21 English)

1914 to 1925

Common Dividends Paid 1914 to 1925

	Name of Company	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925
	Section 1: Dividends Increased in War Period												
E	Army & Navy Investment Trust Co., Ltd.	..	7	8½	8½	8½	9	9½	10½	10½	11	11	12
S	Edinburgh Investment Trust, Ltd.	17	17	20	20	20	..	..	10	10	10	12	12
S	Second Edinburgh Investment Trust, Ltd.	..	12	12	15	15	15	15	15	15	15	15	15
	Section 2: Dividends remaining same during War Period												
S	Alliance Trust Co., Ltd.	18	19	19	19	19	19	19	20	21	21	22	23
E	American Investment & General Trust Co., Ltd.	8	8	8	8	8	8	9	9	10	10	11	12
S	British Investment Trust, Ltd.	..	14	14	14	14	14	14	15	15	16	17	19
S	Caledonian Trust Co., Ltd.	6	6	6	6	6	6	7	8	8	9	10	11
S	First Scottish American Trust Co., Ltd.	..	9⅝	9⅝	9⅝	9⅝	9⅝	9⅝	9⅝	9½	9½	9½	10½
E	Industrial and General Trust, Ltd.	10	10	10	10	10	..	10	12	12	12	12½	14
E	Investment Trust Corporation, Ltd.	..	12½	12½	12½	12½	12½	12½	13	14	15	16	19
E	London and New York Investment Corp., Ltd.	..	5	5	5	5	5	7	8	9	9	10	8
E	London Scottish American Trust, Ltd.	..	7	7	7	7	7	7	8	9	9	9	10
E	London Trust Co., Ltd.	6	6	6	6	6	8	10	10	10	12	..	12½
E	Merchants Trust, Ltd.	8	8	8	8	8	8	8	9	9	9½	10	11
S	Scottish American Investment Co., Ltd.	18	18	18	18	18	18	18	18	18	18	18	..
	(On old shares of £2 each)												
S	Second Scottish American Trust Co., Ltd.	9½	9½	9½	9½	9½	9½	9½	9½	9½	9½	10	10½
S	Third Scottish American Trust Co., Ltd.	..	8¾	8¾	8¾	8¾	8¾	8¾	8¾	8¾	8¾	8¾	9¼
	Section 3: Dividends shaded during war period												
S	American Trust Co., Ltd.	5	5	3	4	4	5	6	6	6	7	8	10
E	Bankers' Investment Trust, Ltd.	6	5	5	5	5	5½	6	6	6½	7	7½	8½
E	Charter Trust & Agency, Ltd.	5	3	..	2	2	3	3½	3½	3½	4	4½	5
E	Foreign, American & Gen. Invest. Trust Co., Ltd.	6½	5½	5	5	5	5½	6	6½	6½	6½	7	7½
E	Foreign & Colonial Investment Trust Co., Ltd.	8	7	6	6	6	6½	7	7	7	7	7	7½
E	General and Commercial Invest. Trust, Ltd.	8	7	5½	5½	5½	6	8	8	8	8½	8½	10
E	General Investors and Trustees, Ltd.	6	5	5	5	5	6	7	7	7	7	8	9
E	Govt. Stock and Other Secur. Invest. Co., Ltd.	..	7	5	5	5	5	6	7	7	7	8	8
E	Guardian Investment Trust Co., Ltd.	5½	5½	4½	4½	4½	5	7	7½	7½	8	9	10
E	International Investment Trust, Ltd.	5	4	3½	3½	3½	4½	5	6	6	6	6	7
E	Mercantile Investment and General Trust Co., Ltd.	7	6	6	6	6	6½	7½	8½	9	9½	10½	12
E	Metropolitan Trust Co., Ltd.	13	13	12	12	12	12	13	14	14	15	16	17½
E	Omnium Investment Co., Ltd.	6½	6½	4	4	4½	5	6	7	7	7	8	8
S	Scottish Investment Trust Co.	..	6	5	6	6	6	7	8	8	8	8	10
S	Scottish Northern Investment Trust, Ltd.	8	6½	6½	6½	6½	7½	10	10	10	12	13	15
S	Third Edinburgh Investment Trust, Ltd.	..	4	4	6	6	8	12	12	12	12	12	12
E	United States and South Amer. Invest. Trust Co., Ltd.	6	5	5	5	5	5½	6	7	7½	8	9	10

S—Scottish Investment Trusts. E—English Investment Trusts.

Report of the 34th Annual Meeting of the

Winnipeg Electric Company

Held April 4th, 1927

At the annual general meeting of the Shareholders of the Winnipeg Electric Company, held in the head offices of the Company on April 4th, 1927, the report of the President and Directors and the financial statements for the year ending December 31st, 1926, were presented and adopted.

The following directors were elected for the ensuing year and until their successors are appointed: A. W. McLimont, W. R. Bawlf, G. V. Hastings, S. L. Fuller, W. J. Bulman, W. H. Carter, P. A. Thomson, J. B. Woodyatt, A. J. Nesbitt, N. J. Breen, and J. B. Coyne, K.C.

The following are the officers of the company for the ensuing year: A. W. McLimont, President and General Manager; J. S. Mackenzie, Treasurer; L. Palk, Secretary, and S. N. Currie, Assistant Secretary.

The report of the President and Directors stated:

The Gross earnings for the year 1926 show an increase of $354,369.46 over the year 1925 earnings, while the Operating Expenses show an increase of $106,646.53. Miscellaneous Income decreased by $47,883.30.

After setting aside out of Net Income, $958,119.13, a total of $388,588.52 for Depreciation, the balance of $569,530.61 is carried forward to Surplus Account, bringing the total Surplus up to $904,-283.22 before providing for payment of dividends. After the payment of the regular 7 per cent. dividend on the Preferred Stock and a 2 per cent. dividend on the Common Stock of the Company, there was a balance in the Surplus Account of $474,283.22.

The same procedure that was followed during the years 1924 and 1925 of writing off a proportion of certain items carried in Discount and Expense, Bond and Stock Issues, representing discount on stock issues, for the purpose of improving the Balance Sheet, was continued during the year 1926, $58,355.43 of the balance in the account being written off.

UTILITIES

The Street Railway—As was predicted in last year's report, the past year has been marked by a continuance of general improvement in business conditions. As a result, the Railway Utility registered further improvement in 1926. It carried 57,985,000 revenue passengers, as compared with 55,096,000 in 1925. Its Gross Receipts increased $179,000.

Operating or Working Expenses of the Railway Utility showed an increase of $97,000 over the preceding year. This increase was due to several factors, among which are: the operation of a greater number of street cars and buses to take care of the increased traffic, and extensions to service required by the City of Winnipeg and municipalities served; a wage increase for trainmen which was made effective May 1st, and increased expense for fuel to heat street cars and removal of snow from tracks on account of the severe climatic conditions experienced in November and December.

Light and Power—Gross Receipts of the Electric Utility showed an increase of $152,000 over the preceding year, as compared with an increase of not quite $100,-000 reported for 1925. Kilowatt hours generated were increased 13.3 per cent. over 1925. Included among the new customers obtained during the year was the newly erected departmental store of the Hudson's Bay Co., which was connected in November and is a large user of light and power.

Gas—Gross Receipts of the Gas Utility in 1926 showed an increase of $23,000 and at the same time economies in operation made it possible to reduce the Operating Expenses of this utility to the extent of $69,000. From the viewpoint of Net Earnings this particular utility made the most satisfactory showing it has experienced for many years.

The gas sendout for the year totalled 522,327,000 cubic feet, which represented an increase of approximately 3½ per cent. over the 1925 sendout. New business in the form of industrial installations and furnaces for house heating was taken on which more than offset losses in business from domestic cooking ranges replaced with electric ranges.

Extensions—Company again made substantial additions and improvements to its property in 1926. Among the principal additions are: the construction of a new double track on Osborne Street and Memorial Boulevard opened up by the City between Broadway and Portage; construction of a single track extension on St. Anne's Road to the extent of 8,200 lineal feet; laying a second track of 1,100 lineal feet in East Kildonan to provide better facilities for increasing traffic in that municipality; alterations and equipping with treadles sixty of the street cars to make them adaptable for one-man two-men operation, and the purchase of four new buses. There were also the usual additions to electric extensions to take care of new customers.

Company's property as a whole has been maintained in good operating condition and continues to serve its patrons efficiently.

General Conditions—During the past year there has developed a great deal of activity in mining areas within a radius of one hundred miles from Winnipeg; a large paper mill has been constructed and is now in operation at Pine Falls, which is sixty-five miles from Winnipeg, and the Province of Manitoba, in which Winnipeg is located, has experienced one of its best grain crops in recent years. These factors make for increased activity, which will, no doubt, be reflected in the 1927 operations of the Company.

FINANCIAL OPERATIONS

Bonds Retired

The retiring of the outstanding balance of 5 per cent. First Mortgage Bonds of the Winnipeg Street Railway Company which matured January 1st,1927, amounting to $468,000, was largely taken care of by selling an equal amount at par value of First Refunding Thirty-year 5 per cent. Sinking Fund Gold Bonds, due January 1st, 1935, that were being held in escrow by the Trustees.

CUSTOMER OWNERSHIP CAMPAIGN ADDITIONAL PREFERENCE STOCK AUTHORIZED

The first Customer Ownership Campaign undertaken by the Winnipeg Electric was held in March, 1925, and 2,845 shares were sold to 1,280 purchasers.

In line with its policy of enlisting as many local shareholders as possible, the Company conducted its second Customer Ownership Campaign on December 13th, 1926. The success which attended this sale marked the campaign as one of the most outstanding Customer Ownership Campaigns ever held in Canada. Only 2,500 shares of the Company's 7 per cent. Cumulative Preference Stock were offered, and the campaign was advertised to run for ten days, but so great was the demand that the sale closed within forty-eight hours with 11,377 shares ($1,137,-700) applied for by 2,222 customers and cash receipts of over $635,000.

The success of the campaign was due not only to the worth of the security offered, but also to the energetic efforts of the Company's employees, together with a well-planned publicity programme conducted by the Company. The number of shares applied for averages five shares to each customer.

At a meeting of the shareholders held on January 20th, 1927, an increase in the 7 per cent. Preference Shares of the Company from $3,000,000 to $10,000,000 was authorized. This stock is not to be offered for sale at one time, but is to be held in the treasury and sold from time to time as the Company requires funds for extensions and improvements. At this meeting, the call price of the existing $3,000,000 of Preference Stock as well as the additional $7,000,000 authorized, was increased to 105 and accrued dividend.

One object in increasing the call price to 105 was that the Company might be in a position to sell the new stock at above par, if it considers it advisable to do so.

In all probability most of these shares will be sold by the Company to its customers from time to time, as it is very desirable that the customers of the Company have a direct interest in the success of the Company.

$10,000,000 BOND ISSUE OF MANITOBA POWER COMPANY LIMITED

This Company owns a controlling interest in the Manitoba Power Company, Limited, and in October, 1921, the shareholders of the Winnipeg Electric Company authorized the guaranteeing of the principal and interest of an issue of $7,500,000 Manitoba Power Company Limited, 7% Bonds, due 1941, the proceeds of which were used to construct a modern hydro-electric plant at Great Falls, on the Winnipeg River.

The new plant was first turned over for operation in November, 1923, and has been in regular operation ever since. At that time the entire substructure of the hydro-electric plant, designed for a capacity of 168,000 h.p. was constructed and the super-structure for three units was completed, with two units installed aggregating 56,000 h.p. In order to provide for the supply of electric power for the contract with the Manitoba Pulp & Paper Company, Limited, it was necessary to install a third unit at the Great Falls plant, together with a transmission line to the site of the paper mill in Fort Alexander, and for this purpose additional capital was required by the Manitoba Power Company, Limited. As money market conditions were favourable at the beginning of 1926, it was considered opportune to call the $7,500,000 issue of bonds which bore interest at the rate of 7% and replace it with $10,000,000 issue bearing interest at the rate of 5½ per cent. and, after being authorized by the shareholders at a special general meeting held on March 6th, 1926, this was done and the third unit installed.

A copy of the Annual Report of the Manitoba Power Company, Limited, for the year 1926 is sent to each shareholder of the Winnipeg Electric Company.

CHANGES IN DIRECTORATE OF THE COMPANY

It is with deep regret the death of Mr. Hugh Sutherland in August 1926, is recorded. Mr. Sutherland joined the directorate on January 24th, 1906, and faithfully and continuously performed his duties until his death.

On November 15th, 1926, Mr. J. B. Coyne, K.C., secretary of the R. J. Whitla Company, Winnipeg, was elected a Director of the Company.

A. W. McLIMONT,
President.

Income Account

For the Year Ending December 31st, 1926

Gross Earnings from Operation		$5,566,034.83
Operating Expenses before Charging Depreciation		3,408,550.45
Net Operating Income		$2,157,484.38
Miscellaneous Income		111,721.20
Gross Income		$2,269,205.58
Deduct:		
Interest charges on Mortgage Stock, Bonds, Bank Loans, etc.	$915,962.00	
Extinguishment of Discount on Securities	30,253.47	
City Percentage and Car License	163,343.68	
Taxes	170,550.50	
Miscellaneous Non-Operating Taxes	2,678.40	
Other Income Deductions	28,298.40	
		1,311,086.45
Net Income Before Charging Depreciation		958,119.13
Deduct:		
Depreciation		201,050.04
Net Income Transferred to Surplus		$ 757,069.09
Surplus Brought Forward from 1925 as Adjusted		$ 334,752.61
Net Income Transferred	$757,069.09	
Additional Depreciation	187,538.48	
		569,530.61
		$ 904,283.22
Dividends on 7% Cum. Pfd. Stock	$210,000.00	
Dividends on Common Stock	220,000.00	
		430,000.00
		$ 474,283.22
Deduct Appropriations:		
Sinking Fund Reserve	73,100.00	
Deferred and Undistributed Charges such as Stock Discount and Expense	58,355.43	
		131,455.43
SURPLUS CARRIED FORWARD		$ 342,827.79

IN 1926 CANADA NORTHERN POWER EARNS SURPLUS

After Payment of Dividends, $38,633 is Transferred to Surplus

From Our Own Correspondent.

MONTREAL.—The second annual report of the Canada Northern Power Corporation for the 1926 fiscal year contains the consolidated record of the corporation and all its subsidiaries; after payment of all charges and dividends the earnings applicable to the 40,000 common shares outstanding amounted to $38,633 which was added to surplus account.

The income account figures over the past two years compare as follows:

	1926	1925
Gross earnings	$2,562,185	$1,035,851
Expenses	746,439	347,688
Net earnings	1,815,746	688,163
Deduct:		
Interest	823,355	290,027
Discount	......	189,407
Bad debts	105	......
Year's surplus	992,284	208,728
Previous surplus	*655,780	1,052,858
Total	1,648,065	1,261,587
Deduct:		
Preferred divds.	449,309	267,006
Common dividends	79,238	30,360
Minority surplus	104	14,928
Depreciation	425,000	274,364
Lawsuit	......	575,000
Total deduct	953,651	*1,161,659
P. & L. balance	694,413	99,927

*—Includes surplus of additional companies acquired during 1926.

Working Capital Position

	—December 31— 1926	1925
Current assets	$2,180,158	$307,002
Current liabilities	989,102	283,841
Net working capital	1,191,056	23,161

A comparison of the balance sheets of the past two years is practically impossible, for the corporation has expanded to such an extent that any comparison of figures reveals but little. The chief expansion during the year was the purchase of the control of the Northern Ontario Light and Power Company.

Will Expand Further

The company at the present time has reserves in cash and victory bonds set aside to provide for construction work, and these reserves will naturally be drawn upon for the carrying out of the construction programme.

The depreciation reserve now amounts to a substantial figure; this is an essential feature in the balance sheet of a power company operating in a mining area, as all mining areas have a definite life, and, when the mines are exhausted, or become uneconomical, power is no longer required.

The total assets, due to the taking over of new properties, are now shown as $28,961,058, as against $12,547,138. During the same period the funded debt has risen to $14,826,500, as compared with $5,605,900. The ratio of bonded indebtedness to total assets remained substantially the same.

During the year the 6½ per cent. bonds of the Northern Canada Power Company were replaced by 6 per cent. bonds and the 6 per cent. bonds of the Northern Ontario Power Co., which matured during the year, were redeemed and replaced by a new issue at the same rate of interest.

The President's Remarks

In his remarks to the shareholders, A. J. Nesbitt, president of the company, expresses his satisfaction with the results achieved and voices the optimism of the directorate as to the future. His remarks are in part as follows:

"During the year under review, development of mineral resources has steadily progressed, resulting in new working being opened up and permanent machinery and equipment being installed, all requiring power for operation.

"Considerable extension work had, therefore, to be done during the past year, to assure service to Waite-Montgomery, Horne Copper, Alderson-Mackay, and other mines. Transmission lines had to be built, new substations erected, and larger conductors installed, with a view to improving the service as well as reducing power loss in transmission.

"Further extensions of the distributing system are contemplated by your directors so as to keep abreast of the country's development and the growth in business offering.

"The various power plants and transmission and distributing systems have not only been maintained in efficient operating conditions, but have been considerably improved during the past year so as to decrease operating charges."

4.9% ON COMMON EARNED IN YEAR BY 'PEG ELECTRIC

Increase of 10% in Gross, But Working Capital Deficit Up

From Our Own Correspondent.

MONTREAL.—The annual report of the Winnipeg Electric, now available in pamphlet form shows the following income account with which has been compared the figures of the preceding two years:

	1926	1925	1924
Op. res.	$5,566,034	$5,211,665	$5,128,324
Oper. exp.	3,408,550	3,301,904	3,379,497
Oper. income	2,157,484	1,909,761	1,748,827
Other income	111,721	157,604	139,186
Total income	2,269,205	2,067,365	1,888,013
Deduct:			
Interest	915,962	872,914	700,463
Bond discount	30,253	26,765	19,726
City per cent.	163,344	154,237	159,598
Taxes	173,229	166,997	155,512
Sundry	28,298	24,848	32,355
Depreciation	201,050	201,050	201,050
Net income	757,069	620,554	619,309
Pref. dividends	210,000	210,000	210,000
Balance	547,069	410,554	409,309
Com. dividends	220,000	220,000	110,000
Surplus	327,069	190,554	299,309
Prev. surplus	334,752	594,788	2,516,514
Total	661,821	785,342	2,815,823
Deduct:			
Additional deprec.	187,538	173,000	165,000
S. F. reserve	73,100	73,100	......
Def. charges	58,355	158,955	1,814,890
Pwr. contract	......	......	279,692
P. & L. balance	342,828	380,287	556,241

Working Capital Position

The working capital position of the company shows a large increase in the current liabilities which brought about a further increase in the deficit of working capital. The comparison of the figures at the close of the past three fiscal years follows:

	1926	1925	1924
Curr assets	$1,793,529	$1,313,641	$4,457,242
Curr. liabs.	2,847,181	1,602,832	4,381,782
Work. capital	*1,053,602	*289,191	65,460

*—Excess of current liabilities over current assets.

Balance Sheet Changes

Other than the changes noted in the current assets and current liabilities, the balance sheet changes were of a minor character. Property account has been increased by some $560,000, and sinking fund account has increased by over $100,000. Advances to subsidiaries have been increased by more than $300,000. In the liabilities the reserves have been increased by $343,000.

The earnings on common stock were 4.9 per cent., as compared with 3.73 and 3.72 per cent. in the two preceding years. In his remarks to the shareholders, A. W. McLimont, the president, said in part:

"During the past year there has developed a great deal of activity in mining areas within a radius of one hundred miles from Winnipeg; a large paper mill has been constructed and is now in operation at Pine Falls, which is sixty-five miles from Winnipeg, and the province of Manitoba, in which Winnipeg is located, has experienced one of its best grain crops in recent years. These factors make for increased activity, which will, no doubt, be reflected in the 1927 operations of the company."

Wheat seeding started on two farms at Carmangay, Alberta, April 4, and the soil was reported in excellent condition.

A Timely Investment Policy

SERIOUS problems confront the bond as well as the stock investor today. Selections are more difficult to make and yields are decidedly less attractive. Furthermore, there is the more vital question of what to do with present holdings.

It is to answer these questions of our clients that we have sent them a special letter under above title. A few copies are also available for investors interested in this subject. Request Letter No. 24.

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EXECUTORS AND TRUSTEES

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Canadian National Railways
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A STAFF of officers, qualified to give information of the widest possible character, based upon a practical knowledge of the country, is maintained for the convenience of all persons desirous of investigating opportunities in Canada for investment of capital in development of industrial, mining, sylvan industries and water power.

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W. J. Cutliffe, London, Eng.

THE STEEL COMPANY OF CANADA, LIMITED

Consolidated Balance Sheet as at December 31st, 1926

ASSETS

COST OF WORKS owned and operated by the Company		$30,937,868.51	
COST OF COAL, ORE AND OTHER PROPERTIES, and Investment in Company's own Bonds, including those acquired for Sinking Fund		3,201,371.42	
			$34,139,239.93
ADVANCES to Ore Companies			1,393,985.09
SINKING FUND ASSETS— In hands of Trustee			65.38
CURRENT ASSETS—			
Inventories of Raw Materials and Finished Products, less Reserve		$ 5,582,101.34	
Accounts Receivable		3,180,050.15	
Bills Receivable		73,787.86	
Cash on hand and in Banks		498,785.11	
Secured Call Loans		738,534.10	
		10,073,258.56	
Victory and War Loan Bonds		5,219,396.85	
			15,292,655.41
SECURITIES SET ASIDE FOR SPECIAL PURPOSES—			
Stock of the Company held in Trust for Employees		$ 134,539.00	
Employees' Pension Fund			
Victory Bonds	$400,000.00		
Cash	48,115.87		
		448,115.87	
Employees' Welfare and Benefit Fund Victory Bonds		100,000.00	
			682,654.87
DEFERRED CHARGES TO OPERATIONS— Insurance and other Expenses paid in advance			41,292.40
			$ 51,549,893.08

Approved on behalf of the Board,
R. H. McMASTER, H. H. CHAMP, } Directors

LIABILITIES

CAPITAL STOCK AUTHORIZED—		
100,000 Shares at $100.00 each, Preferred 7% Cumulative	$10,000,000.00	
150,000 Shares at $100.00 each, Ordinary	15,000,000.00	
	$25,000,000.00	
CAPITAL STOCK ISSUED—		
64,963 Shares at $100.00 each, Preferred 7% Cumulative	$ 6,496,300.00	
115,000 Shares at $100.00 each, Ordinary	11,500,000.00	
		$17,996,300.00
BONDS—		
6% First Mortgage and Collateral Trust Bonds, Authorized and Issued, due July 1st, 1940	$10,000,000.00	
Less held in Treasury	1,649,904.00	
	8,350,096.00	
Less redeemed through Sinking Fund	2,440,796.57	
		5,909,299.43
CURRENT LIABILITIES—		
Accounts Payable, including provision for Income Tax, 1926	$ 2,093,801.04	
Unclaimed Dividends	7,053.75	
Preferred Dividend No. 62 payable February 1st., 1927	113,685.25	
Ordinary Dividend No. 40, payable February 1st., 1927	201,250.00	
		2,415,790.04
FUNDS APPROPRIATED—		
Employees' Pension Reserve	$ 448,115.87	
Employees' Welfare and Benefit Reserve	100,000.00	
		548,115.87
RESERVES—		
Furnace Relining and Rebuilding Reserves	$ 909,469.10	
Reserves for Accidents to Employees	73 776.35	
Contingent Reserve	659,368.15	
Betterment and Replacement Reserve	1,860,470.21	
Fire Insurance Reserve	200,000.00	
	3,703,083.81	
Bond Sinking Fund Reserve	2,582,874.41	
Depreciation Account	8,231,374.65	
		14,517,332.87
SURPLUS— Balance as per Profit and Loss Account		10,163,054.87
		$ 51,549,893.08

Verified as per our report of this date.
Toronto, Ontario, 3rd March, 1927.
RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A., Auditors.

Consolidated Statement of Profit and Loss Account

for the Year ended December 31st, 1926

MANUFACTURING PROFITS for the Year ended December 31st, 1926, after deducting charges for Repairs, Maintenance, and providing for Income Tax 1926, but before providing for Depreciation and Bond Interest		$3,247,606.27
INTEREST AND INCOME from Securities and Investments		396,684.84
		$3,644,291.11
LESS RESERVES—		
Bond Sinking Fund	$ 292,269.73	
Depreciation	760,208.26	
		1,052,477.99
		$2,591,813.12
LESS INTEREST ON BONDS		362,601.16
		$2,229,211.96
LESS DIVIDENDS—		
Preferred at 7% per annum	$ 454,741.00	
Ordinary at 7% per annum	805,000.00	
		1,259,741.00
		969,470.96
Transferred to Employees' Welfare and Benefit Reserve		100,000.00
Surplus for the Year		869,470.96
Balance brought forward December 31st, 1925		9,293,583.91
Balance Profit and Loss December 31st, 1926		$ 10,163,054.87

Certified correct,
RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A., Auditors.
Toronto, Ontario, 3rd March, 1927.

DEVELOPMENT AT TOWAGMAC HAS BEEN RESUMED

No New Results at Mine Responsible for Stock Appreciation

From Our Own Correspondent.

MONTREAL.—Although more extensive operations are taking place on the property of Towagmac, they are not of sufficient importance to warrant recent strength in the shares of this mine. Toronto interests say that the advance in stock was due to buying in Montreal and Montreal interests say that the buying originated in Toronto.

Recently, newspaper despatches indicated that negotiations were in progress leading to the merging of Towagmac, Noranda and Waite-Montgomery properties. But these reports were premature. Parleys had undoubtedly taken place but it could hardly be said that actual negotiations had started. There is apparently no change in the situation regarding these negotiations.

Moreover, the chief interest in Towagmac lies in the work which is being accomplished at the Alderson-MacKay Mine, in which Towagmac holds a 35 per cent. interest, and in which, it is understood, the remaining 65 per cent. interest is controlled by the Noah Timmins group. Thus, it might be that in the future, instead of a consolidation of Towagmac and Noranda, such a consolidation might include only Noranda and Towagmac's subsidiary, the Alderson - MacKay Mine.

Drilling Was Satisfactory

Thus, if the Alderson-MacKay property and the Noranda property were consolidated, it would hardly have the same effect on the shares of Towagmac as a consolidation of the latter company with the promising Noranda holdings.

There appears to be nothing in the physical development of the Alderson-MacKay property which would warrant any spectacular rise in the Towagmac stock. Drilling which has been carried on during the past few weeks has shown only anticipated results. Perhaps the reason for the buying of Towagmac was the fact that active development work has again commenced.

Mostly Construction Work

During the past three months the work at the Alderson-McKay Mine which is the chief property of Towagmac, has been confined to construction. This included the installation of a 1,000 foot electrically-driven air compressor. A fully-equipped machine shop, large enough to carry on operations to a depth of 2,000 feet, has been delivered at the property and is being installed, and will be put into operation by the time the shaft has reached the third level at a depth of 375 feet. It is now down just over 150 feet. This equipment will enable the company to make rapid progress in the development of the three levels at the same time. The plant and equipment now provides for the operation of eight drills instead of two as formerly.

Development at Mine

Speaking of the development on the Alderson-MacKay Mine, W. P. Alderson said to The Financial Post:

"Further diamond drilling has been started to prove up the extension at greater depth of No. 3 orebody, in addition to developing other promising surface showings.

"Supplies ample to carry on for a period of three or four months have been taken in over the winter roads. It is anticipated that the government highway from the property to Rouyn will be completed by the end of July and that either the Canadian National Railway or Nipissing Central Railway will be completed and able to give service to the property by the time, or shortly after, the Noranda smelter is ready for operation."

SYLVANITE MILL READY TO OPERATE BY END OF APRIL

Everything in Readiness to Start on 200-ton Daily Capacity

Little remains to be done before putting Sylvanite's new mill into operation. Several minor delays have been experienced, but it is thought that everything will be in readiness by the end of this month. All the necessary buildings, including steel shop, blacksmith shop, assay office, transformer and boiler houses, are erected, and the mill should reach its 200-ton capacity before long.

Active preparations are being made for the feeding of the mill. Stoping is underway, and the backs are being taken down just enough to get the chutes in to take the tonnage out. The intention is to clean out the dump first when the mill starts, as the space it covers will be needed.

Recent developments underground have been quite satisfactory. The new ore body at the 1,500-foot level is of a good width and runs about the average mine grade. Further diamond drilling is planned as soon as a machine is available. The announcement that Wright-Hargreaves intends working right up to the Sylvanite boundary on its lower levels and that Tough-Oakes-Burnside on the east had located ore right up to the Sylvanite is highly favorable news for this property. Once the mill is started the intention of the Sylvanite management is to continue an active program of development and exploration.

Kirkland-Hunton Diamond Drill Passes Through Quartz

In diamond drilling at the Kirkland-Hunton property, which directly adjoins the Teck-Hughes mine on the south, a body of quartz porphyry was passed through below a depth of 700 feet. The cores showed a width of 45 feet of this productive formation. Assays are not yet available. This new dyke does not come to the surface. In fact, Manager McPhee states he did not have this on the 375 foot level.

The quartz porphyry formation in this camp has proven the most productive, and the existence of such at depth in the Hunton is considered important and encouraging by engineers.

McDougall Start Diamond Drilling

A diamond drilling campaign has been started on the McDougall Mines, which company was formed to develop the McDougall-Cassels property. This company has about 1,000 acres in Dufresnoy and Duprat townships. The company is capitalized at $2,000,000, of which half has been issued in full payment of the properties. The United States Smelting and Refining Company has a 45 per cent. interest in the stock. Some diamond drilling was done before on this property and it showed a flat-lying mineralized zone adjacent to Amulet's No. 2 ore body.

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A pamphlet giving full information regarding these Bonds will be gladly sent on request.

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BRANDRAM-HENDERSON LIMITED

TWENTIETH ANNUAL REPORT

FOR YEAR ENDING DECEMBER 31st, 1926

To the Shareholders:

Your Directors herewith submit their Twentieth Annual Report with Statement of Assets and Liabilities and abstract of Profit & Loss Account for the year ended December 31, 1926.

The Dividend on the Preferred Stock amounting to $35,000.00, being at the rate of 7% per annum, has been paid. The sum of $10,000.00 has been added to the Depreciation Reserve and the cost of all Upkeep and Renewals incurred during the year and amounting to $31,726.38 has been charged to operating expense.

Bond Interest on the First and Consolidated Issues has been paid which, together with interest accrued for the last quarter of the year, totals $68,723.20; and at the same time the sum of $12,493.71 has been written off Bond Discount Account.

After taking these various deductions into account there remains a net increase in our Profit and Loss Account of $26,048.87 which has been carried forward to the year 1927, while the special reserves for doubtful debts and inventories, which were created in 1925, remain unimpaired.

These encouraging results are chiefly attributable to an aggressive sales policy in the industrial field, to economies in operating methods and to a somewhat improved condition of trade throughout the Dominion, which your Directors feel will still further develop in 1927.

It is also a pleasure to inform you that the 1926 operations of our subsidiaries, Alberta Linseed Oil Co. Ltd., and Pacific White Lead Co. Ltd. have been satisfactory and profitable.

Messrs. P. S. Ross & Sons, as in the past, have audited the books and accounts and their report is herewith submitted.

Your Directors wish to express their appreciation of the faithful and efficient services of the officers and employees of the Company during the fiscal year.

All of which is respectfully submitted on behalf of the Directors.

GEORGE HENDERSON,
President and General Manager.

Statement of Assets and Liabilities as at 31st December, 1926

ASSETS

Fixed:		
Real Estate, Buildings, Plant Equipment, Goodwill and Patent Rights	$2,441,465.97	
Capital Stock of the Alberta Linseed Oil Co. Ltd., Pacific White Lead Co. Ltd. and other investments, less Reserve	346,922.82	
		$2,788,388.79
Current:		
Merchandise	976,243.16	
Accounts Receivable	466,765.53	
Cash on hand, in Bank, and Trust Company	85,700.72	
		1,528,709.41
Deferred Charges		21,472.92
Bond Discount and Charges less amounts written off		35,422.08
		$4,373,993.20

LIABILITIES

Fixed:			
Preferred Stock, Authorized and Issued			$500,000.00
Common Stock Authorized		$1,250,000.00	
Common Stock, In Treasury		70,100.00	
			1,179,900.00
			$1,679,900.00
Bonds:			
6% Sinking Fund, Gold, 1st Mortgage due 1936, Authorized and Issued		500,000.00	
Redeemed		222,400.00	
		$277,600.00	
Less: Bonds Purchased, awaiting cancellation		2,100.00	
		$275,500.00	
Consolidated 6% Gold, due 1939: Authorized		$1,250,000.00	
In Treasury	$50,000.00		
Held in Escrow to retire 1st Mortgage Bonds	280,000.00		
		$330 000.00	
		$920,000.00	
Less: Redeemed.		61,000.00	
		$859,000.00	
			1,134,500.00
Current:			
Royal Bank of Canada		$402,945.29	
Bills Payable		9,957.16	
Accounts Payable		109,879.86	
Reserve for Preferred Dividend payable Jan. 3rd, 1927		8,750.00	
Reserve for Bond Interest Accrued		19,307.09	
Unclaimed Dividends		828.75	
			551,668.15
Reserves:			
Depreciation and Other Reserves			242,500.00
Bond Premium Account			6,717.35
Surplus			758,707.70
			$4,373,993.20

Contingent Liability:
Bills Receivable under Discount $166,249.44.

GEORGE HENDERSON,
G. MacGREGOR MITCHELL,
Directors.

Audited and verified in accordance with our report of even date.

P. S. ROSS & SONS,
Chartered Accountants.

Montreal, 2nd March, 1927.

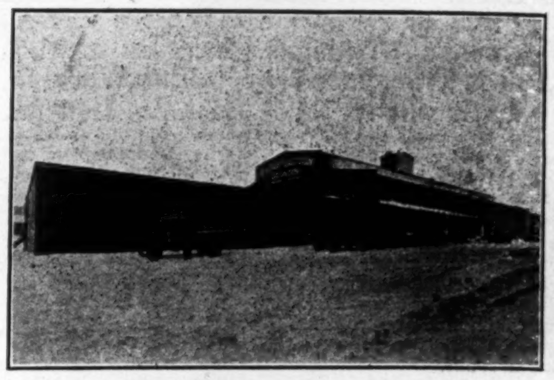
Profit and Loss Account

For Year ended 31st December, 1926

CR.		
By Balance brought forward 31st December, 1925		$732,658.83
Less Dividends on Preferred Stock		35,000.00
		$697,658.83
By Net Profit after deduction of Head Office Charges		155,765.78
		$853,424.61
DR.		
To Bond Discount	$12,493.71	
To Bond Interest paid and accrued	68,723.20	
To Reserve for Depreciation	10,000.00	
To Pensions	3,500.00	
		94,716.91
		$758,707.70

Audited and verified,
P. S. ROSS & SONS,
Chartered Accountants.
Montreal, 2nd March, 1927.

PERFECTION GLASS CO. LIMITED



Montreal Factory—North End View.

ANNUAL REPORT for the year ending Dec. 31st, 1926

REPORT OF THE DIRECTORS

TO THE SHAREHOLDERS—

In submitting the Company's first report and statement of accounts for that part of the year 1926 during which it was in operation, your Directors invite your consideration to certain features of the period of operation which are of a special nature and which have had an important bearing upon the results shown on the Company's Income Account and Balance Sheet.

During the early part of 1926 the entire time and efforts of your Directors and Officers was given to the raising of capital and all through the period of operation covered by the following statement considerable time and attention had to be given to this work. This naturally interfered with organizing for the manufacture and sale of the Company's patented product and as a result reduced the profits derived from that source. During this period and a few months previous to the starting of operations it was necessary for your President to go to Europe to make connections which would guarantee a steady supply of materials for your factories. This, to some extent, interfered with the progress of your Company, as the raising of the capital and factory organization was directly under his supervision. Notwithstanding this interference, your Company was in a position financially during the month of April to make substantial purchases abroad and arrange connections with foreign factories which would assure a steady and sufficient supply of raw materials for at least three years to come.

It was known to your management that it would be a great advantage to have large importations of glass arrive early in the season, and, as a result, heavy importations started to arrive immediately upon the opening of navigation. A few weeks previous to this your management purchased a stock of glass owned by La Ceramo-Vitrail, Inc. This stock, together with the importations arriving from abroad, gave your Company one of the largest stocks of flat glass carried by any Company in Canada. Being in this position, your Company was faced with the necessity of increasing its organization and securing a factory building suitable to carry on its operations. During the months of June and July your Company operated in five small temporary plants. The operations carried on under these conditions were inefficient and expensive and being temporary quarters, not suitable for the installation of heavy machinery, delayed your Company getting into operation in a substantial way in the manufacture of its Bullet-Proof and Non-Shatterable glass. This delay, together with interruption caused by the moving of all stocks and machinery into one main building, greatly interfered with both volume and profits.

Immediately upon locating a satisfactory building and factory site, your management placed orders for sufficient machinery to commence the manufacture of its patented product on a large scale and under favorable conditions. Previous to this the output of this product was limited to one large hydraulic and three hand presses.

Considering the fact that your Company at this early period was under very heavy financial obligations in the purchase of its plant, importations arriving from abroad, expense of moving, the purchase of machinery and equipment, saying nothing of the heavy loans due your Bankers (who by the way have done more than could be expected to help along with this new industry), it was deemed advisable to leave a mortgage on the main factory building at 6½ per cent. in view of the profits that could be earned by using the money in the business as shown in the Balance Sheet submitted.

As a result of the continued increase in the volume of your Company's business during the summer and fall of 1926, it became necessary to add an extension to the main factory building. Contracts were let and the work was completed in November. This put your Company to an additional expense of approximately $28,000.00, all of which was paid in cash at the completion of the contract. By this time your Company had become sufficiently successful to pay off all bank loans and other indebtedness with the exception of the mortgage on the main factory building, and during the same period earned sufficient profits to warrant the paying of a dividend of 5 per cent. on all the outstanding stock.

During the latter part of the period covered by the statement submitted, it was found to be impracticable to combine the proceeds from the sale of your Company's securities with the proceeds from the sale of its products. In view of this, your management decided to incorporate a company under the name of the "Perfection Glass Securities, Inc." for the purpose of dealing in and selling the securities of the Perfection Glass Company, Limited. This Company has a separate bank account and is owned outright by the Perfection Glass Company, Limited, your Company being the only subscriber to the Capital Stock of the Perfection Glass Securities, Inc.

The period of operation indicated by the statement submitted is eight months, while, as a matter of fact, operations, to any great extent, did not start until well on in June, which brings the actual operating period to less than seven months. During this period considerable expense was incurred in demonstrating the Company's products to architects, engineers, contractors, and automobile manufacturers. This and other features, such as the interference in raising capital, the building of an organization, equipping of a new plant, the training of help in a new industry and last, but not least, limited working capital, did not lend to efficiency and consequently are reflected in the statement submitted.

In passing through what should be the most critical period in the history of your Company, the first six or eight months operation, the Balance Sheet shows gross earnings of $95,747.31, with total expenses of $54,525.47. This last item is not large when it is known to cover the organization period and the first few months of operation. From the balance of $41,221.84 there has been paid a dividend of 5 per cent. on the outstanding stock. The remaining balance has been transferred to the General Surplus Account. Organization expenses have all been written off during the first eight months operations and charged to Surplus Account instead of being written off over a period of years. Bank loans were all paid off and sufficient materials are under contract and held abroad ready for shipment to supply your market for the coming season.

Since December 31st, 1926, a period of operation not covered by this statement, the volume of your Company's business has increased each month. In fact, each month from the commencement of business has shown a decided increase over the previous month. This is due to the increasing demand for your Company's products.

In order to meet this increasing demand you have ratified an increase in the capitalization of your Company which has been completed and as a result, additional working capital is being secured.

During the early part of 1927 a branch factory was opened in Windsor, Ontario. This plant is already in operation, and the volume of business that is being done is more than gratifying in that it far exceeds the expectations of your management.

With these two factories in operation the Company's income has been greatly increased and the indications are that the showing of profits from January 1st up to the present time are considerably in advance of the organization and initial operating period covered by the statement submitted. If the present conditions continue it would seem reasonable to expect a further distribution of profits during the year 1927.

Respectfully submitted,
PERFECTION GLASS COMPANY, LIMITED
JAS. A. WATT, President.

STATEMENT OF PROFIT AND LOSS FOR EIGHT MONTHS ENDING DECEMBER 31ST, 1926

Sales, less Returns and Allowances		$182,254.19
Deduct: Cost of Sales		86,526.88
		$ 95,727.31
Add: Miscellaneous Income		20.00
Gross Profit on Sales		$ 95,747.31
Deduct: Factory Expenses	$11,799.14	
Selling, Administration and General Expenses	37,063.26	
Provision for Depreciation	5,663.07	
		54,525.47
Net Profit for the eight months ending December 31st, 1926, before providing for Income Tax thereon		$ 41,221.84

BALANCE SHEET, DECEMBER 31st, 1926

ASSETS

Cost of Properties and Patents		$646,079.77
Investments in Subsidiary Companies		2,000.00
Current Assets:		
Inventories of Merchandise on hand and in transit, as valued by the Management	$120,985.88	
Accounts Receivable (less provision of $2,500.00 for Bad and Doubtful Accounts)	36,307.79	
Balances due by Shareholders	21,522.70	
Cash on hand and in Bank	24,126.66	
		202,943.03
Prepaid Taxes, Unexpired Insurance, Etc.		4,614.42
		$855,637.22

LIABILITIES

Capital Stock:		
Authorized and Issued—50,000 Shares of $10.00 each		$500,000.00
Mortgage Payable		75,000.00
Current Liabilities:		
Bank Loan (secured under Section 88 of the Bank Act)	$30,000.00	
Accounts Payable	14,216.28	
Interest Accrued	2,031.25	
Due to Subsidiary Companies	5,030.43	
		51,277.96
Reserve for Depreciation		5,663.07
Capital Surplus and Prem's. Received on Capital Stock Sold	$295,665.00	
Deduct: Organization Expenses	91,698.65	
		203,966.35
Profit for Eight Months ending December 31st, 1926, before providing for Inc. Tax thereon, as per statement attached	$41,221.84	
Deduct: Dividend paid	21,492.00	
		19,729.84
		$855,637.22

NOTE: At December 31st, 1926, the Company was under contract for future delivery of Merchandise amounting to $113,883.53.

Approved on Behalf of the Board:

JAS. A. W. WATT, Director.
ALEX. MacINTYRE, Director.

Auditors' Report to the Shareholders:

We have examined the books and accounts of the Perfection Glass Company, Limited for the period ending December 31st, 1926, and have obtained all the information and explanations which we have required; and we certify that in our opinion the above Balance Sheet at December 31st, 1926, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Company.

Montreal, March 28th, 1927.
PRICE, WATERHOUSE & CO., Auditors.